

Partisan Control, Media Bias, and Viewer Responses: Evidence from Berlusconi's Italy*

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ABSTRACT

This paper examines the impact of private ownership and government control of the media on news content and viewership by consumers with differing ideologies. We use data from Italy, where the main private television network is owned by Silvio Berlusconi, the leader of the center-right coalition, and the public television corporation is largely controlled by the ruling coalition. Our first finding is that when, following the 2001 national elections, the control of the government switched from the center-left to the center-right, news content on public television shifted to the right. Second, we find evidence that viewers responded to these changes by modifying their choice of news programs. Right-leaning viewers increased their propensity to watch public channels which, even after the change, remained to the left of private channels. Furthermore, some left-wing viewers reacted by switching from the more moderate to the more left-leaning of the public channels. Finally, we show that this behavioral response, which tended to shift ideological exposure to the left, significantly, though only partially, offset the movement of public news content to the right.

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I. INTRODUCTION

Since the introduction of newspapers, there has been substantial concern over partisan control of the media. Some observers worry that impressionable voters may be influenced by an ideological media and that this may result in an electoral advantage for the favored party. According to this view, an overtly partisan media may lead to the election of low quality candidates and to the enactment of poor policies.

This argument rests upon two key assumptions. First, it assumes that control of the media by ideologically-motivated owners will lead to biased news content; the opposing view is that market forces, and viewers' ideology in particular, are sufficiently strong such that the owner's underlying objectives to maximize market share will dominate any influence motive. The second key assumption is that consumers will not respond to changes in ownership and content by shifting to outlets more in line with their own ideology, a behavioral response that will only be possible with a sufficiently pluralistic media sector.

In this paper, we investigate these issues in the context of the television industry in Italy, where a single politician with easily identified ideology, Silvio Berlusconi, owns the main private television network, and where the public television corporation is traditionally controlled by the ruling political coalition. In particular, we examine news content and viewership of the six top national television channels before and after the 2001 elections, which shifted control of the government, and hence of the public television corporation from the center-left coalition to the Berlusconi-led center-right coalition.

Our empirical analysis addresses three related questions. Firstly, after the switch in government, did news content on public channels change to favor the center-right coalition, and did the gap between public and private news coverage change? Our principal finding is that, after the 2001 elections, public channels - particularly Channel 1, the most influential one - tended to favor the center-right coalition relative to the center-left coalition by devoting a larger fraction of speaking time. Interestingly, however, news coverage on the public channels remained to the left of that on private channels in spite of the fact that they were both effectively controlled by Berlusconi. We find evidence of a similar pattern with regard to the coverage devoted to certain issues with strong ideological content.

Our second question concerns behavioral responses by viewers to changes in media control. Given our finding that ideological control of the media does matter for news coverage, did viewers respond to the change in content by switching to a channel with an ideological leaning closer to their own? To answer this question, we develop an econometric model of viewer's choice of media outlets. In the model, viewers have incomplete information and thus potentially benefit from media reports. This benefit, however, depends upon the match between the ideology of the viewer and the ideology of the station. We then estimate this model using panel data on viewership and ideology before and after the shift in control. Our primary finding is that, after the change in government, right-leaning viewers become much more likely to watch news on public television channels which, more than before, they perceive as more 'substitute' to the private ones. Furthermore, some left-wing viewers reacted to the change in coverage by switching from the more moderate to the more left-leaning of the public channels. Supporting this evidence of a behavioral response, we

show that, after the shift in control, trust in news on public television increased among right-leaning viewers, relative to left-leaning viewers. By contrast, the relationship between ideology and trust in the news source on private channels is fairly stable during the same period.

Our third and final question builds upon the first two. Given that: 1) the ideological content of public channels moved to the right but remained to the left of the private channels, and 2) right-leaning viewers responded to this change by increasing viewership of public channels, what is the net change in the ideological exposure of viewers with differing political ideologies? We find that, while those viewers who continued to watch public channels were eventually exposed to a more right-leaning news coverage, this effect is significantly, though partially, offset by an opposite effect on those viewers who switched from private to public channels and who ended up being exposed to a more left-leaning coverage. In fact, for one group of viewers we find that, on average, overall exposure moved to the *left* following the shift in control and content to the *right*. This finding suggests that, under certain conditions, for an owner attempting to manipulate public opinion, increasing the ideological content of news may be counter-productive.

II. LITERATURE REVIEW

Our paper is most closely related to a literature on the role of media ownership on media content. In terms of media ownership, Besley and Prat (2006) theoretically examine the case for government capture of the media sector in the context of a political agency model. They find that capture is more likely when voters have access to a wide variety of outlets and when ownership is independent in the sense that it is costly for the government to provide transfers to the media. They also find that media capture affects political outcomes. In a theoretical contribution, Baron (2004) demonstrates that media bias can persist even in competitive markets environments due to the incentives for career-oriented journalists to write sensationalized stories.

Several empirical studies provide support for the notion that ownership matters for media content as well as other outcomes. Djankov et al (2003) examine media ownership in a variety of countries and find that government ownership of the broadcast media is pervasive and that this public control is associated with poor government outcomes. Gentzkow et al (2006) document the movement from a partisan to an informative press in the United States between 1880 and 1920. They argue that this shift is largely driven by reductions in marginal costs of production and the associated increases in readership along with heightened competition in the marketplace. In a case study of coverage of Gary Hart's 1988 Presidential campaign by the newspaper chain Knight-Ridder, Glasser, Allan, and Banks (1989) demonstrate that group ownership of newspapers led to more uniform coverage across newspapers in this instance. Finally, Pritchard (2002) examines the role of group ownership of newspapers in the United States on coverage of the 2000 Presidential campaign.

An alternative view considers readers' rather than owners' preferences, as the dominant factor in driving news coverage. Mullainathan and Shleifer (2005) and Gentzkow and

Shapiro (2006) formalize this argument and demonstrate that viewers choose media outlets with content conforming to their own ideology. Gentzkow and Shapiro (2007) examine this issue in the U.S. newspaper industry and show that newspaper content is closely related to the prevailing ideology of readers in the marketplace. They argue that reader ideology, rather than owner ideology, is the key driver of newspaper slant.

III. ON ITALY

Over the course of the last decade the Italian political system has been characterized by the presence of a fairly large number of political parties distributed along a broad ideological spectrum¹. Nearly all of these parties, however, were aggregated into two main political coalitions: the center-left and the center-right. Furthermore, despite considerable within-coalition ideological differences and attrition, these alliances have not experienced major transformations over the period under examination. Indeed, the presence of two fragmented but fairly stable alliances alternating in the government has represented a distinctive trait of the Italian political context between 1996 and 2007². It seems therefore appropriate for the period under examination to treat these coalitions as the key players in the Italian political arena.

The Italian broadcast television industry is composed by three national networks - one public and two private - and a multitude of regional and local channels. The Italian public service broadcaster (RAI), is controlled by the Ministry of Economy and Finance and operates three national terrestrial channels: RAI 1, RAI 2 and RAI 3 (respectively Channel 1, 2, and 3 henceforth). RAI's main competitor is Mediaset, the main Italian commercial television network, founded and controlled by Silvio Berlusconi through his family's holding Fininvest, which also broadcast three national channels: Rete 4, Canale 5, and Italia 1 (Channels 4, 5, and 6 henceforth)³. Taken together RAI and Mediaset account for approximately 85-90% of the average TV viewership, and for a similar share of the market total advertising revenue.⁴ This *de facto* duopoly⁵, which has remained substantially unchanged

¹A comprehensive list of the main Italian political parties represented in the national Parliament between 1996 and 2007 - with relative coalition of affiliation - is reported in the Appendix.

²The contradictory tendency toward party fragmentation, on the one hand, and coalition formation, on the other, results from the hybrid nature of the electoral systems in place over this period, in which elements of a majoritarian and a proportional mechanism coexist. The electoral reform carried out by the center-right coalition prior to the 2006 national elections did not solve these issues. Quite the opposite, the new electoral law exacerbated some of the problematic aspects of the pre-existing one.

³The other private national channel is La7 (previously TMC) currently owned by Telecom Italia Media, the media branch of Telecom Italia, the largest Italian telecommunications company. La7 is fairly small relative to the two other networks and only represents about the 3% of the market

⁴The average daily audience share of RAI and Mediaset combined was 90.4% in 2001, 89.6% in 2002, 89.0% in 2003, 87.5% in 2004, 85.5% in 2005, 83.9% in 2006, and 82.7% in 2007. The data come from Auditel, the research company responsible for television audience measurement in Italy. Founded in 1984, Auditel corresponds to the so-called "joint industry committee" scheme. It is a private company operating through a board of directors and a technical committee composed of representatives of the TV stations, media buyers and advertisers.

⁵This situation is even more conspicuous in view of the limited diffusion of satellite and cable television in Italy (around 5% of the total audience in 2006).

over the last twenty years, is due to the lack of a compelling regulation limiting market concentration in the television industry⁶. The issue of concentration in the television market is potentially even more problematic for political pluralism given that television represents the main source of political information for the vast majority of the Italian population.⁷

The relationship between the political system and the media industry in Italy is particularly close and, for many reasons, unique. On the one hand, the leader of one of the two main political coalitions is the owner of the top private media conglomerate (the so-called "Berlusconi's anomaly"). This issue has generated debate both about the possibility that Berlusconi's use of his group's media could give him an advantage in the political arena, and about the opportunity to introduce norms to regulate this kind of conflict of interest (as it is the case in many other European countries). On the other hand rests the controversial question of the influence of political majorities on public television, and the potential consequences for media freedom and political pluralism. Traditionally in fact, the executive body of the Italian public broadcasting corporation has been representative of the ruling political coalition. Furthermore, Italian law includes no mechanism to insulate public television from political pressures. RAI is governed by a nine-member administrative council. Seven members are elected by a parliamentary committee while the remaining two, including the president, are nominated by the largest shareholder - the Ministry of Economy and Finance. The council in turn appoints the director-general, the channels' directors, and the directors of each channel news service⁸. The latter are very influential figures since they are responsible for setting the news program editorial line and agenda, therefore influencing which issues or events are covered. These appointments are made according to a long-standing system of political quotas (*lottizzazione*). In fact, most of the time those appointed to these positions can be linked to one political coalition or even to a specific political party according to previous political or professional experience. Despite the undeniable influence of the ruling coalition, the opposition is generally granted control of one of the three public channels; this has therefore traditionally assured some degree of ideological heterogeneity across public channels. During the period 2001-2007, for example, Channel 3 news remained within the sphere of influence of the left-wing coalition; whereas Channel 2 news directors were closer to the center-right parties. Over the same period however, the director of Channel 1 news - the most viewed and influential of the three - was replaced twice following the shifts in political majorities (Table 1).

The two situations described above - Berlusconi's control over private television and the strong influence of the ruling coalition on public television - may each cause concern in

⁶The new law of telecommunications, approved in 2004 by the center-right majority has not improved this situation. Quite on the contrary, it has further relaxed the requirements imposed by the previous legislation.

⁷According to a recent survey by Diamanti et al. (2007), for example, broadcast television represents one of the principle sources of information for 94% of the population. Other surveys present similar results (ISTAT, 2006; CENSIS, 2006). Furthermore, for a significant segment of the population, broadcast television represents the only source of news.

⁸This procedure is established by the new telecommunications law. The previous law assigned the appointment of RAI's board of directors and its president to the Speakers of the House of Representatives and of the Senate, who, themselves, were affiliated with the ruling coalition.

their own right. When both are at work at the same time, however, the potential impact on political pluralism may be of even greater concern. Indeed, this was the case between 2001 and 2006, when Silvio Berlusconi was also the head of the ruling coalition and hence in the position to exert influence on public television.

IV. NEWS COVERAGE

In the first part of our analysis we investigate differences in news content between and within RAI and Mediaset using both data on coverage of political actors (parties, government, etc.), and data on coverage of specific issues (economics, world affairs, etc).

A. *Political Coverage*

Monthly data on the distribution of news airtime among political actors for national TV networks are available from the Italian Communications Regulatory Authority (AGCOM), which is responsible for the monitoring and safeguard of political pluralism in the Italian media⁹. Data are available for the top six national channels and cover the period between January 2001 and September 2007 (73 months), for a total of 438 observations. AGCOM reports the airtime devoted to the following categories of actors: a) members of political parties and movements represented in the Italian Parliament (excluding those involved in the government); b) the Prime Minister (PM); c) other members of the government; d) the Speaker of the House of Representatives; e) the Speaker of the Senate; f) the President of the Republic; g) the European Union. Three alternative measures of airtime are available: 1) speaking time (ST): time each political actor speaks directly to the public (statements, interviews, etc.); 2) news time (NT): time devoted to the coverage of issues and/or events related to a political actor; 3) broadcasting time (BT): sum of speaking time and news time. Unlike news time, which may include both positive and negative reports, speaking time measures the opportunity for a political actor to communicate its views to the audience without any mediation. It may therefore be considered as an index of its visibility. Since more visibility is likely to favor a political figure, it seems appropriate to use speaking time as an indicator of favorable coverage. Therefore, in our empirical sections we will restrict our attention to speaking time. To calculate the total monthly speaking time of the center-left and center-right coalitions, we aggregate the speaking time of their affiliate parties. For the coalition in power, we also include the time assigned to the government (PM and other members) and to the Speakers of the two Houses, since both are representative of the ruling coalition¹⁰.

We start by looking at the speaking time devoted to the two coalitions between January 2001 and September 2007. When plotting the share of total speaking time allocated to the right and left-wing coalitions on Berlusconi's channels (Figure 1), we see that the right

⁹The status and the functions of the Italian Communications Regulatory Authority (www.agcom.it) are established by Law n. 249 of 31 July 1997.

¹⁰We do not consider the time devoted to the President of the Republic since this figure cannot be associated with any of the coalitions. We also disregard the time devoted to the European Union, and to those parties not affiliated with any of the two major coalitions.

receives more extensive coverage than the left. Interestingly, this pattern holds throughout the entire period, even when the left is in power. The same pattern does not apply to public channels which, on aggregate, devote a larger and fairly stable fraction of time to the majority, regardless of who is in power.

To investigate within-group differences we present the results separately by channel. With regard to Mediaset (Figure 2), while news coverage on channels 6 and 4 is more favorable to the right throughout the entire period, channel 5 covers the two coalitions in a rather more balanced way, devoting more time to the left when the latter is in power. Nevertheless, the gap between majority and opposition is much larger when Berlusconi is in power. Turning to public television (Figure 3), all three channels devote on average more time to the ruling coalition. However, on Channel 2 the gap between majority and opposition is larger during Berlusconi's government. The opposite is true for Channel 3 which provides particularly favorable coverage of the left-wing coalition when it is in the opposition. Channel 1 is characterized by the most regular pattern. Over the period analyzed, in fact, time is distributed in a fairly stable fashion between majority and opposition. To further test these patterns we estimate a set of regressions using ordinary least squares (Table 2).

We first regress our dependent variable - the share of total speaking time devoted to the center-right coalition by each group - on a dummy variable for the period during which Berlusconi's coalition was in power (*Berlusconi_Gov*), a group dummy (*Mediaset*) and the interaction of the two, including month fixed effects (column 1). Both the coefficients on *Berlusconi_Gov* and *Mediaset* are large, positive and statistically significant, while the coefficient on the interaction term is small, negative and only marginally significant. These results confirm, on the one hand, that Berlusconi's channels allocate a significantly larger fraction of time to the right-wing coalition relative to public channels (almost 20% more). On the other hand, not surprisingly, when the right is in power it receives larger coverage on all channels (+28.7%). Furthermore, the boost is slightly larger on public channels. To assess differences across Berlusconi's channels with reference to public channels, we then include dummy variables for Mediaset channels only. The coefficients confirm that news coverage is more favorable to the right coalition on all Berlusconi's channels relative to the average of RAI channels. This result is more pronounced for Channels 6 and 4 (+16.8% and +34.6% respectively), but is also quite large and significant for Channel 5 (+5.7%). Furthermore, when Berlusconi's coalition is in power, the share of time allocated to it increases slightly more on Channel 5 than on the public channels. To get a complete picture of both cross- and within-group differences we finally include dummies for all channels. Since we are particularly interested in the difference between RAI channels and Channel 5 - the most viewed and the least unbalanced of Berlusconi's channels - we use it as the base outcome in our regression. On average, news coverage on both Channels 1 and 3 is less favorable to the right coalition relative to Channel 5 (-6.6% and -10.4% respectively). Furthermore, relative to other channels, Channel 3 also tends to cover Berlusconi's coalition even less when this is in power. In contrast, the difference in coverage between Channel 1 and Channel 5 becomes smaller during Berlusconi's government. Finally, regardless of which coalition is

in power, we find no significant difference between Channel 2 and Channel 5.¹¹

An alternative way of exploring these findings is to look at the share of total time devoted to the majority coalition (last column). The results confirm that the coverage of the majority on Berlusconi's channels is much larger when the right is in power. This is particularly the case for Channels 4 and 6, but the same applies to Channel 5. In contrast, coverage on Channel 3 is more favorable to the left-wing majority (+10.4%) and less favorable to the right-wing majority (-30.8%). Finally, Channel 1 favors the majority more than Channel 5 during the left-wing government. However, when the right is in power, the distribution of news time in the two channels is fairly similar.

In addition to what fraction of time is assigned to the majority, another interesting question is how this time is distributed among the members of the ruling coalition - i.e. prime minister, other members of the government, majority parties' congressmen, Speakers of the House and the Senate - and whether the distribution changes depending on who is in power. To address this issue we look at the time assigned to each member of the ruling coalition as a fraction of the time devoted to the majority as a whole (Table 3). We estimate separate regressions for: i) the government; ii) the Prime Minister; iii) other members of the cabinet; iv) congressmen affiliated with majority parties; v) Speakers. The results show that when Berlusconi is in power his channels tend to cover the government proportionally more (+48.1% on Channel 4, +9.8% on Channel 5, and +10.3% on Channel 6). Interestingly, this result is mostly driven by a steady increase in the coverage of the Prime Minister himself (+40%, +10.7%, and +16.9% respectively). On the contrary, the shares of time assigned to members of the majority in Congress and to the Speakers tend to remain stable or to decrease. We do not observe the same pattern for public channels. Although Channels 1 and 2 provide a larger coverage of the government (+6.1%, and +10.6% respectively), in none of the public channels do we observe an increased coverage of the Prime Minister (-2.6% on Channel 1, -2.8% on Channel 2, and -2.3% on Channel 3).

To summarize, according to the evidence presented above, the Italian television market for news appears to be segmented along different lines. On the one hand lies the crucial distinction between private (Berlusconi's) and public channels. Overall, Berlusconi's channels provide a more favorable coverage of the right-wing coalition relative to public channels. In particular, they tend to devote a much larger share of time to the majority than to the opposition when Berlusconi is in power. Furthermore, during this period, the distribution of time within the majority is much more skewed in favor of the executive and, especially, of the Prime Minister himself. On the other hand, we also find evidence of substantial heterogeneity within Berlusconi's channels with Channels 6 and 4 offering a more unbalanced coverage than Channel 5. Public channels display an even larger degree of heterogeneity based on political affiliation with Channel 2 leaning towards the right, and Channel 3 toward the left. Unlike the other public channels, Channel 1 is not characterized by a particular left-right bias. Rather, it generally favors the ruling coalition over

¹¹Some members of the majority coalition may be particularly exposed to the media during certain periods of the year (e.g. the Ministry of Economy during the discussion of the budget law). To control for possible seasonal variations in the coverage of the majority, we estimate the same regression including calendar month fixed effects. When doing so the results remain basically unchanged.

the opposition, regardless of the color of the majority. As a consequence, the placement of Channel 1 in the political spectrum - and consequently its relative distance from other channels - is not firm but changes depending on which coalition is in power.

B. Coverage of News Categories

Partisan bias in political coverage is one dimension along which news channels may differentiate themselves from competitors. Another dimension concerns the categories of issues each channel decides to cover. Each channel can allocate air time in a very different fashion across a variety of topics ranging from politics to international affairs, crime news, etc. Each channel's choice crucially depends on what public it caters to. Channels that target a particular segment of the public will tend to provide more extensive coverage of topics that the targeted group perceives as more relevant. Usually viewers' preferences for different topics are correlated with individual political inclination. Individuals with more liberal views tend to attach more importance to topics such as world affairs, labor and social issues; on the other hand conservative viewers tend to be more concerned with issues related to law and order, immigration, and security. We would therefore expect air time distribution to differ across channels occupying different positions in the political spectrum.

In this section we test whether there are systematic differences in news category coverage across Italian television channels. Daily data on news coverage by issues for the main national TV networks are available from the Osservatorio dei Media di Pavia¹². The Osservatorio employs professional human analysts to monitor and analyze the content of the day and prime time editions of each news program on the main national channels. For each reported piece of news the following information is recorded: order of appearance, content summary, macro issue¹³, duration. Data are available for the period between January 2003 and March 2006. Since this period falls entirely under the right-wing government, we cannot investigate differences in coverage under different political majorities. Hence, our analysis only attempts to provide a picture of the differences across channels under those specific political circumstances.

Our dependent variable is the share of total weekly coverage devoted to different news categories. We primarily focus on three macro categories characterized by fairly clear ideological connotations: i) World News, ii) Labor & Social Issues¹⁴, iii) Crime & Security¹⁵.

¹²Founded in 1994 the Osservatorio is an independent non-profit organization specialized in the monitoring and the analysis of political communication in the mass media. The Osservatorio has maintained long-term co-operation with the Italian national broadcasting corporation (RAI) for which it has carried out media monitoring since 1994.

¹³News reports were classified according to the following macro categories: arts, culture and entertainment; business and finance; chronicles; crime news; criminality (organized crime); defense and security; education; farming, fishing and food production; food and drink; gossip; health; justice; labor issues; media and telecommunications; nature and environment; politics; science and technology; religion; social issues; fashion and style; sports; transportation; world news. Residual categories are: unclassified (advertisement, titles), other, public service information (weather forecast, traffic conditions, etc.).

¹⁴This broader category results from the combination of two of the categories originally used for news coding: *Labor Issues*; and *Social Issues*.

¹⁵This broader category results from the combination of three of the categories originally used for news

In addition, we also look at how different channels cover news related to *Politics* and less politically charged news grouped in the category *Sports & Entertainment*¹⁶. Two measures of coverage are available: the number of news reports in each category and the total time devoted to them. Since the two measures are highly correlated (0.97), and the results obtained using one or the other are very similar, in what follows we only report the results based on the number of news reports.

We start by looking at differences in coverage between Rai and Mediaset (Table 4) including group dummies and running separate regressions for each of the categories. Weekly and calendar week fixed-effects are included. The results suggest that, overall, public channels tend to provide significantly broader coverage of *World News* (19.5% of total coverage vs. 13.3% on Mediaset channels), and *Labor & Social Issues* (4.9% vs. 3.4%). On the contrary, the coefficient on *RAI* is negative and highly significant for *Crime & Security*. Furthermore, Berlusconi's channels also devote a smaller fraction of time to *Politics* (7.7% vs. 4.9%) and a larger fraction to *Sports & Entertainment* (15% compared to an average of 8.4% for public channels) which indicates a more apolitical type of coverage.

We then compare coverage across individual channels (Table 5). As before, we use Channel 5 as the base outcome of our regressions in order to facilitate the comparison of public channels with the most viewed of Berlusconi's channels. Again weekly fixed-effects are included in the regressions. Interestingly, all three RAI channels devote proportionally more airtime to *World News*, *Labor & Social Issues*, and *Politics* than Channel 5, and proportionally less to *Crime & Security* and *Sports & Entertainment*. Channel 3, in particular, displays the largest coefficient in all regressions, followed by Channel 1 and Channel 2.

These findings are consistent with the results about partisan bias in political coverage discussed in the previous section: Channel 3 is the most dissimilar from Berlusconi's channels, Channel 2 is the most similar, and Channel 1 lies in between the two. However, for the period under examination, the distribution of coverage on Channel 1 resembles Channel 2 more than Channel 3, especially with regard to *World News*, *Labor & Social Issues*, and *Crime & Security*.

When turning to Berlusconi's other channels, we observe mixed results. Channel 6 displays an even greater difference in the distribution of news categories relative to public channels than Channel 5. Indeed, coverage on Channel 6 tends to favor *Crime & Security* and *Sports & Entertainment* proportionally more, at the expense of *World News* and *Labor & Social Issues*, and *Politics*. In turn, whereas Channel 4 displays the greatest bias in favor of the right-wing coalition in terms of political coverage, when looking at the distribution of content by category, it surprisingly resembles public channels, especially with regard to coverage of *Politics*, *Labor & Social Issues*, *Crime & Security* and *Sports & Entertainment*.

To summarize, we do observe a strong relationship between a channel's partisan bias in political coverage and issue salience. Channels located on the left-hand side of the spectrum (particularly Channel 3) devote a larger share of coverage to political events,

coding: *Criminality (Organized Crime)*; *Chronicle*; and *Crime News*.

¹⁶This broader category results from the combination of three of the categories originally used for news coding: *Sports*; *Fashion and Style*; and *Gossip*.

foreign affairs, labor and social issues, and significantly less to crime, security, sports and entertainment. This relationship, however, does not hold in the case of Channel 4 which, however, only accounts for a negligible share of the audience, and, as previously shown, even among Berlusconi’s channels, can reasonably be considered as an outlier.

V. BEHAVIORAL RESPONSES

In this section, we examine how viewers altered their viewing habits in response to the changes in media ownership and content documented above. We begin by deriving a theoretical model of consumer choice of media outlets. The model is based upon a media sector that provides valuable information to imperfectly informed consumers. We then use the theoretical model to generate an empirical specification of the choice of media outlet by viewers of differing ideologies.

A. Value of an informative media

Society must choose between two policy alternatives (L and R). These options could be interpreted in a variety of ways, including an election featuring two parties, a decision over whether to go to war or proposed changes to immigration policy. There are a set of individual voters, indexed by v , and a set of news stations, indexed by n . Voter’s payoffs from each policy option depend upon two factors. First, each voter’s judgment of the policy options is affected by a certain ideological position. Thus, left-leaning voters are predisposed to the left-wing option and likewise for right-wing voters. In addition to this ideological dimension, we assume that there is a payoff that is common to all voters. We refer to this payoff as the quality of the policy option, and the options thus can be interpreted as “good policy” or “bad policy”.

More formally, we assume that voter v receives the following payoff from policy options L and R :

$$U_{vL} = q_L - i_v/2 \tag{1}$$

$$U_{vR} = q_R + i_v/2 \tag{2}$$

where q_L represents the quality of policy L and likewise for q_R and is common to all voters, and i_v represents the ideology of voter i . Higher levels of i_v represent further predisposition towards the right-wing policy. Defining $U_v = U_{vL} - U_{vR}$ as the relative utility from option L and $q = q_L - q_R$ as the relative quality of policy option L , we have that:

$$U_v = q - i_v \tag{3}$$

Voters are uncertain over relative quality (q), and initial priors are common across voters and are assumed to be normally distributed with mean μ and a variance σ_q^2 . After observing a news report (r_n) from station n , voter i supports the left option if the following condition holds:

$$E(q|r_n) > i_v \tag{4}$$

In order to understand how voters update their beliefs following news reports, we next present a framework for news station coverage choices.

News stations have better information than do voters about the quality of various policy options and may provide valuable guidance to voters. In particular, media outlets receive information regarding the quality of the policy options and produce a news report favoring one of the two options based upon this information as well as on their ideological positions. Following the literature, we assume that news reports are “coarse” in the sense that news organizations cannot provide all of their information gathered during their investigations into a single news report.¹⁷ As a simplification of this idea that news reports are coarse, we simply assume that news stations simply provide binary reports, which are favorable to one of the two policy options. That is, voters observe a news report from station n favoring either the left policy option ($r_n = L$) or favoring the right option ($r_n = R$).

Similarly to the preferences of voters, the reporters from news station n are assumed to receive the following relative payoff from option L :

$$U_n = q - i_n \tag{5}$$

where i_n is the ideology of station n . Again, quality is unknown, and initial priors over quality are normally distributed with mean equal to μ and a variance of σ_q^2 . Stations, however, receive an unbiased signal over the relative quality of option L :

$$\theta_n = q + \varepsilon_n. \tag{6}$$

where ε_n is the noise in the signal and is assumed to be normally distributed with mean zero and variance σ_ε^2 . After observing the signal (θ_n), reporters update over quality as follows:

$$E(q|\theta_n) = (1 - \alpha)\mu + \alpha\theta_n \tag{7}$$

where the weight on the signal is given by:

$$\alpha = \frac{\sigma_q^2}{\sigma_q^2 + \sigma_\varepsilon^2} \tag{8}$$

Reflecting well-known results, the weight on the signal is increasing in the degree of initial uncertainty over quality and is decreasing in the degree of noise in the signal. Assuming sincere reporting, station n produces a report favoring policy L ($r_n = L$) if the following condition holds:

$$E(U_n|\theta_n) > 0 \Leftrightarrow \theta_n > \frac{i_n - (1 - \alpha)\mu}{\alpha} \tag{9}$$

¹⁷See, for example, Suen (2004) and Baron (2006).

Readers attempt to learn about quality from these news reports but this inference is potentially complicated by the ideological position of stations. The value of information depends upon the preferences of the voter. If the voter prefers R ex-ante ($\mu < i_v$), the value of the information is the possibility of a news report favoring option L . If the voter leans to the left ex-ante ($\mu > i_v$), by contrast, the value of information is the possibility of a news report favoring option R . Thus, we can say that:

$$V = \begin{cases} \Pr \left[\theta_n > \frac{i_n - (1-\alpha)\mu}{\alpha} \right] E \left[q - i_v | \theta_n > \frac{i_n - (1-\alpha)\mu}{\alpha} \right] & \text{if } \mu < i_v \\ \Pr \left[\theta_n < \frac{i_n - (1-\alpha)\mu}{\alpha} \right] E \left[i_v - q | \theta_n < \frac{i_n - (1-\alpha)\mu}{\alpha} \right] & \text{if } \mu > i_v \end{cases} \quad (10)$$

Using the properties of the censored normal distribution, the value can be re-written as follows:

$$V = \begin{cases} \left[1 - \Phi \left(\frac{i_n - \mu}{\sqrt{\alpha}\sigma_q} \right) \right] [\mu - i_v] + \sigma_q \sqrt{\alpha} \phi \left(\frac{i_n - \mu}{\sqrt{\alpha}\sigma_q} \right) & \text{if } \mu < i_v \\ \Phi \left(\frac{i_n - \mu}{\sqrt{\alpha}\sigma_q} \right) [i_v - \mu] + \sigma_q \sqrt{\alpha} \phi \left(\frac{i_n - \mu}{\sqrt{\alpha}\sigma_q} \right) & \text{if } \mu > i_v \end{cases} \quad (11)$$

Combining these into a single expression for the value of news to consumers, we have that:

$$V = \min(\mu - i_v, 0) + \Phi \left(\frac{i_n - \mu}{\sqrt{\alpha}\sigma_q} \right) [i_v - \mu] + \sigma_q \sqrt{\alpha} \phi \left(\frac{i_n - \mu}{\sqrt{\alpha}\sigma_q} \right) \quad (12)$$

The first and second terms combined are negative for both left-leaning and right-leaning voters and represent the cost associated with voting against one's prior. The final term, by contrast, is positive and represents the value of information to the voter. We next use this derived value of an informative media in order to understand the choice of news stations by viewers of differing ideologies.

B. Analysis of Choice of Outlet

As a benchmark analysis of the choice of media outlet, we begin by considering the case in which the consumers can choose the ideology of the station i_n . Using the fact that $\phi'(z) = -z \phi(z)$, we have that the first order condition associated with maximizing equation (14) is given by:

$$\frac{\partial V}{\partial i_n} = \phi \left(\frac{i_n - \mu}{\sqrt{\alpha}\sigma_q} \right) \left(\frac{i_v - i_n}{\sqrt{\alpha}\sigma_q} \right) = 0 \quad (13)$$

Thus, utility is maximized by choosing a media outlet with ideology equal to one's own ($i_n = i_v$). This result is similar to Suen (2004), who examined a similar model but with binary signals and binary payoffs.

As a first step towards generating an empirical specification of the choice of media outlets, suppose next that voters cannot choose station ideology directly but instead

choose to watch one station from a limited menu of N outlets, which are indexed by $n = \{0, 1, 2, \dots, N\}$. In order to make this choice probabilistic, we next assume that, in addition to the deterministic payoff in equation 12, voter v receives an idiosyncratic payoff from station n equal to u_{vn} . In particular, we can write the payoff to voter v from watching channel n as follows:

$$V_{vn} = \alpha_v + \alpha_n + \beta_n i_v + u_{vn} \quad (14)$$

where $\alpha_v = \min(\mu - i_v, 0)$, $\alpha_n = \sigma_q \sqrt{\alpha} \phi\left(\frac{i_n - \mu}{\sqrt{\alpha} \sigma_q}\right) - \mu \Phi\left(\frac{i_n - \mu}{\sqrt{\alpha} \sigma_q}\right)$, and $\beta_n = \Phi\left(\frac{i_n - \mu}{\sqrt{\alpha} \sigma_q}\right)$.

Thus, the coefficient on voter ideology is related to the ideological leanings of the network. Normalizing the payoff from station 0 to be zero and assuming that u_{vn} is distributed type-I extreme value, we can write the probability that voter v chooses station n as follows:

$$\Pr(v \text{ chooses } n) = \frac{\exp(\alpha_n + \beta_n i_v)}{1 + \sum_{m=1}^N \exp(\alpha_m + \beta_m i_v)} \quad (15)$$

To estimate these channel-specific parameters we use survey data on political attitudes and electoral behavior from the Italian National Election Study series (ITANES)¹⁸. In particular, we use data from a three-wave panel survey conducted between 2001 and 2006, which includes a set of novel questions on individual media and news consumption aimed at assessing: a) news program viewership, b) trust in the media; c) perception of bias in the news. The first wave was conducted in the weeks following the May 2001 national elections and involved 3209 individuals. 1882 of these (58.6% of the original sample) were re-interviewed between April and June of 2004. The last wave was conducted right after the April 2006 national elections and involved 1048 subjects (32.7% of the original sample, 55.6% of the 2004 sample). For the purpose of our empirical analysis we restrict our attention to the 2001 and 2004 waves. A complete description of the questions used is provided in the Appendix.

Before turning to the econometric results, we first present trends in viewership between 2001 and 2004 for viewers of differing ideologies. As shown in Figure 4, there was a significant shift in viewership away from channel 5, the most popular channel of the private network, to channel 1, the most popular channel of the public network, among right-wing voters, defined as those with a self-reported political ideology in 2001 equal to 1, 2, 3 or 4 on a 10-point scale. There was a similar, though less pronounced, shift from channel 5 to channel 1 among centrist voters, defined as those with a self-reported political ideology equal to 5, 6 on a 10-point scale. Among left-wing voters, defined as those with

¹⁸The Italian National Election Study (ITANES) is a long-term research project on electoral behavior established in the early nineties by the Istituto Carlo Cattaneo Research Foundation (www.cattaneo.org). Several pre- and post-electoral survey studies have been conducted in the context of the ITANES project over the course of the last fourteen years (1994, 1996, 2001, and 2006). In many aspects the questions included in the ITANES surveys are analogous to those used in the surveys of the American National Election Study (ANES).

a self-reported political ideology equal to 7, 8, 9, or 10 on a 10-point scale, there was no reduction in the propensity to view news on channel 5, which remained low in both periods. There is a noticeable increase, however, in viewership of channel 3, which was controlled by the center-left coalition both before and after the elections. This increase was associated with a reduction in viewership of channels 1 and 2. Taken together, these results suggest that right-leaning viewers responded to the shift in content of channel 1 to the right by increasing their consumption of this channel and that left-leaning viewers responded by increasing their propensity to consume news from the left-leaning channel 3. We investigate these patterns more completely below in an econometric model of viewer choice of news channel.

Our econometric analysis begins with a simple analysis of the choice between public and private channels in which private is the omitted category. As shown in the first column of Table 6, as voter ideology moves to the right, viewers are less likely to watch public channels, relative to private channels. We also document a reduction in public viewership in 2004, relative to 2001. Most interestingly, however, is the coefficient on the interaction between voter ideology and the time period in which Berlusconi controls public television. As shown, right-wing viewers, relative to left-wing viewers, are more likely to watch public channels, relative to private channels, after Berlusconi is in control. This is consistent with the content analysis above, which documented increased coverage of politicians from the center-right coalition on public channels after Berlusconi is in control and provides evidence that viewers do have preferences to watch news content with ideology similar to their own.

We next extend the analysis to investigate potential heterogeneity within the public and private networks. In particular, the final five columns of Table 6 presents results from a multinomial logit choice model in which channel 5, which has the largest viewership of the private channels in both periods, is the omitted category. As shown, right-wing voters were less likely to watch any of the public channels, and especially channel 3, relative to channel 5, prior to the Berlusconi taking control of the public channels. There do not appear to be substantial differences in viewer ideology within the private channels either before or after the changes in public control. Most interestingly, however, is the interaction between viewer ideology and Berlusconi controlling the public channels. As shown, the shift of right-leaning viewers away from the private channels and to the public channels, as documented in column 1, is concentrated among channels 1 and 2. Importantly, however, these results suggest that the ideology of channel 1 remains to the left of channel 5 even after the switch in control from the center-left to the center-right coalition. Taken together, these results are consistent with the content analysis, which demonstrated that channel 1, relative to channel 5, moved their content to the right following the center-right taking control of the public television. There is no statistically significant evidence of a shift from channel 5 to channel 3; this finding is consistent with the fact that the center-left coalition controlled this public outlet in both time periods.

C. Offset measures

Taken together, the above results provide significant evidence that viewers responded to the changes in content by shifting to channels with ideological content similar to their own ideology. Importantly, however, this revealed preference analysis suggests that the ideology of channels 1 and 2, the public channels controlled by the center-right in 2004, remained to the left of the private channels even after the change in control. These results, combined with shifting of right-wing viewers to channels 1 and 2 in 2004, suggests that the ideological exposure of some viewers actually moved to the *left* following the shift in public control and content to the *right*. This behavioral response and the associated unanticipated effect of exposure moving to the left may substantially offset the direct effect of moving ideological content to the right following the change in partisan control of the public media.

To explore this issue more formally, we define expected ideological exposure for voter v as follows:

$$E_v = \sum_n \Pr(n \text{ reports } L) \times \Pr(v \text{ chooses } n) \quad (16)$$

Using the multinomial logit choice probabilities defined above and the fact that $\Pr(n \text{ reports } L) = \Phi\left(\frac{i_n - \mu}{\sqrt{\alpha}\sigma_q}\right) = \beta_n$, we can re-write this expression as follows:

$$E_v = \frac{\sum_{n=1}^M \beta_n \exp(\alpha_n + \beta_n i_v)}{1 + \sum_{n=1}^M \exp(\alpha_n + \beta_n i_v)} \quad (17)$$

Finally, we define the percent of the change in ideological consumption associated with a partisan shift in content that is offset by the behavioral response (O_v) as follows:

$$O_v = 1 - \frac{E_{v,2004} - E_{v,2001}}{E_{v,2004}^{\text{no switch}} - E_{v,2001}} \quad (18)$$

where $E_{v,2004}^{\text{no switch}}$ uses the ideology of the channels in 2004 but the choice probabilities in 2001. That is,

$$E_{v,2004}^{\text{no switch}} = \sum_n \beta_{n,2004} \Pr(v \text{ chooses } c \text{ in } 2001) \quad (19)$$

To interpret this percent offset measure, consider two extreme cases. First, if there is no behavioral response, then, $E_{v,2004}^{\text{no switch}} = E_{v,2004}$ and percent offset will equal 0. On the other hand, if the behavioral response is complete in the sense that ideological exposure does not change, then $E_{v,2004} = E_{v,2001}$ and percent offset will thus equal 1.

Figure 5 provides the results from this analysis separately by viewers' ideology. As shown, the offset is relatively small for left-wing viewers. This reflects the fact that most of these viewers were already watching public television prior to 2004 and thus did not respond to the change in content. Many of these viewers, however, watched channel 1 in both 2001

and 2004 and thus experienced a shift to the right in their ideological consumption. The percent offset is larger for moderate viewers, however, reflecting the fact that some of these viewers were watching private television prior to 2004 and switched to the public channels. Most interestingly, however, are the results for the right-wing viewers. At the extreme, for viewers rating their ideology as 10, the behavioral response dominated the direct effect, and the ideological exposure of these viewers actually moved to the left on average. Again, this reflects the fact that very few of these viewers were watching public television in 2001 and thus the direct effect of moving content to the right was relatively small. The behavioral response, however, was most relevant for these viewers, many of whom began watching public television in 2004.

D. Trust analysis

To provide further support for our assumption that viewer choice of like-minded news stations is based upon receiving better information, we next analyze questions in the survey regarding media credibility and trust in the media. In particular, we investigate the relationship between political ideology in 2001 and trust in public and private television in both 2001 and 2004. As shown in the top panel of Figure 6, trust in public television is higher in 2001 than in 2004 among left-of-center voters, those whose self-reported ideology in 2001 was between 1 and 5 on a 10-point scale. For right-of-center voters, by contrast, trust in public television is higher in 2004 than in 2001. This is consistent with the content analysis, which documented a shift to the right in public news content in 2004. As shown in the bottom panel, overall trust in Berlusconi’s channels fell between 2001 and 2004. The relationship between ideology and trust in Berlusconi’s channels, however, was relatively stable in 2001 and 2004, with trust increasing as ideology moves to the right. If anything, the documented decline in trust was strongest among right-leaning voters.

To test for the statistical significance of these results, Table 7 provides results from a regression of trust on political ideology in which the coefficient is allowed to vary between 2001 and 2004. As shown in the first column, the key interaction term demonstrates that trust in the public channels increased between 2001 and 2004 for right-leaning voters, relative to left-leaning voters, in a statistically significant manner. As shown in the second column, the interaction between political ideology and trust in the private channels is negative, demonstrating that trust fell among right-leaning viewers, relative to left-leaning viewers, between 2001 and 2004. Finally, the third column demonstrates that trust in public, relative to private, increased significantly for right-leaning viewers, relative to left-leaning viewers. Taken together, these results provide additional support for our informational interpretation of the changes in viewership following shifts in partisan control of media content.

VI. CONCLUSION

This paper investigates partisan control of the media in the context of Berlusconi’s Italy. We find that a shift in control of the public media from the center-left coalition to the center-right coalition led to a shift in ideological content, as expressed in speaking time

devoted to politicians from different parties, from the left to the right. We also find that viewers responded to these changes in a variety of ways. First, many viewers changed their choice of news program in response. Right-wing viewers switched to public television, which moved to the right despite remaining to the left of private television in terms of ideological content. Some left-wing viewers, by contrast, abandoned the majority-controlled channel 1 and switched the left-leaning channel 3. The degree of this shifting was sufficiently strong that the consumption of news among some groups of viewers actually moved to the left following the change in control of channel 1. Second, left-leaning viewers reduced their trust of public television, while right-leaning increased their trust. Taken together, these results demonstrate that partisan control of the media does lead to biased coverage but that viewers are sufficiently sophisticated that they respond to these changes in a variety of ways, thereby offsetting, at least in part, the direct effect of the manipulation of the news by ideologically-oriented owners.

Table 1. Public TV - News Directors (2000-2007)

Channel 1	
<i>June 2000</i>	G. Lerner (Center-Left)
<i>October 2000</i>	A. Longhi (Center-Left)
<i>2001 Elections</i>	
<i>April 2002</i>	C.Mimum (Center-Right)*
<i>2006 Elections</i>	
<i>September 2006</i>	G. Riotta (Center)
Channel 2	
<i>1994-2002</i>	C.Mimum (Center-Right)*
<i>April 2002</i>	M. Mazza (Center-Right)
Channel 3	
<i>1998-2000</i>	E. Chiodi (Center-Left)
<i>June 2000</i>	A. Rizzo Nervo (Center-Left)
<i>July 2001</i>	A. Di Bella (Center-Left)

* From 1991 to 1994 and after July 2007 served respectively as deputy director and director of Berlusconi's Channel 5 News.

Figure 1. Right vs. Left Share of Total Speaking Time by Group

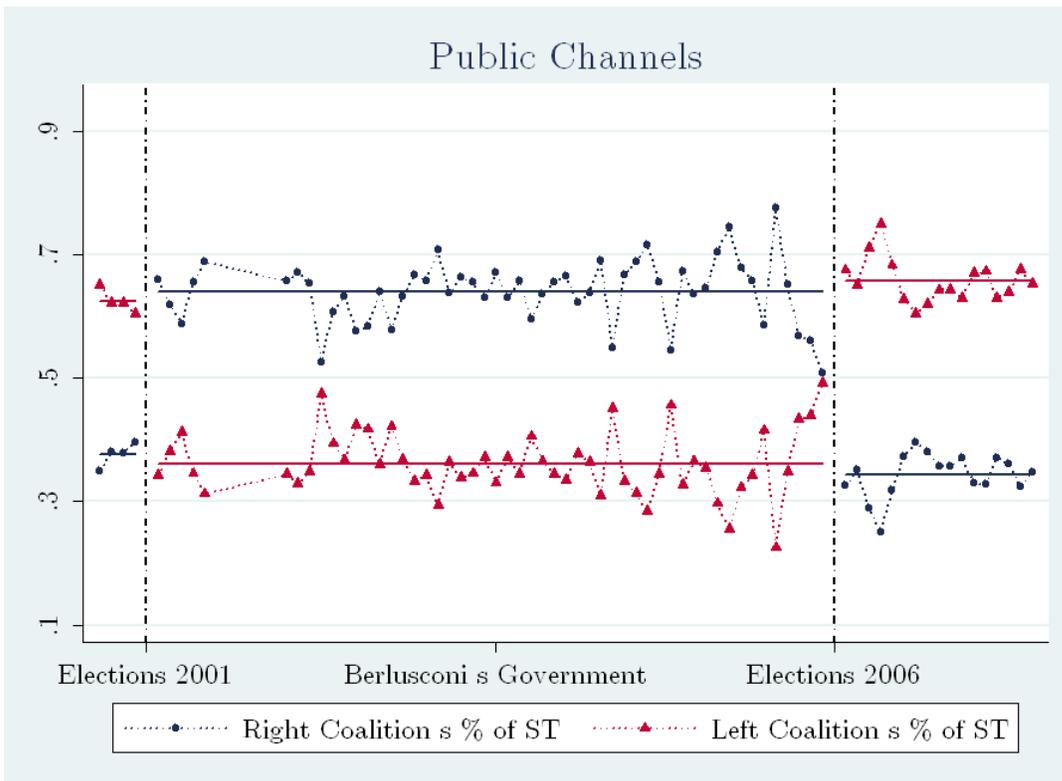
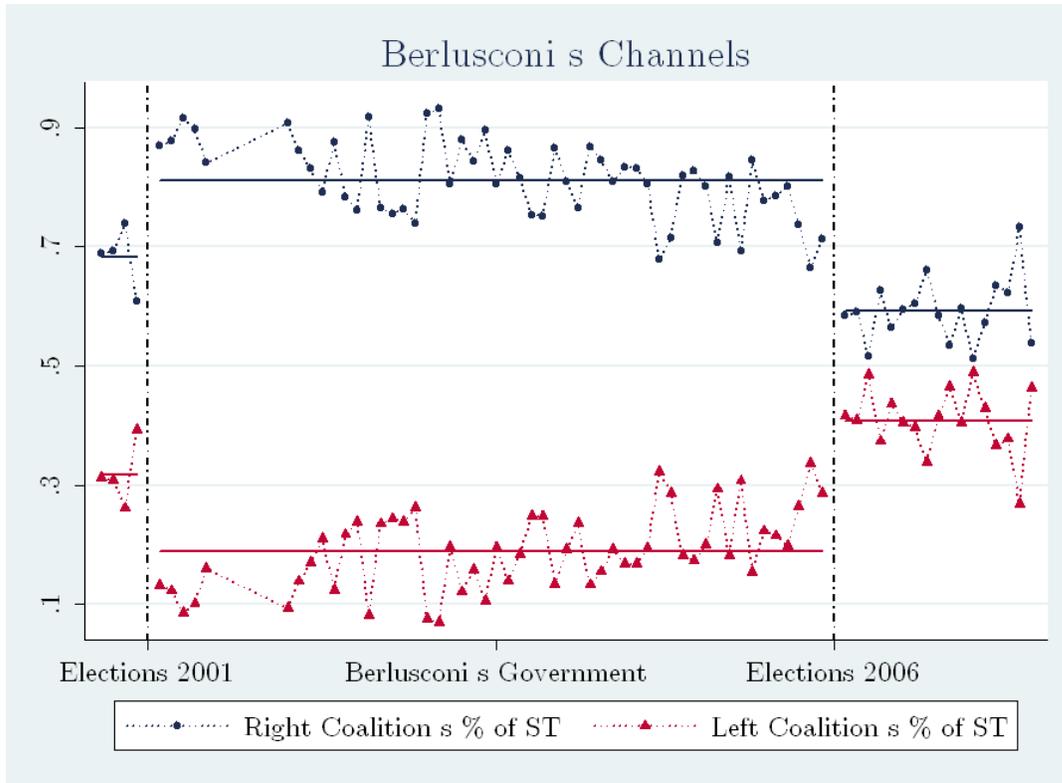


Figure 2. Right vs. Left Share of Total Speaking Time by Channel (Mediaset)

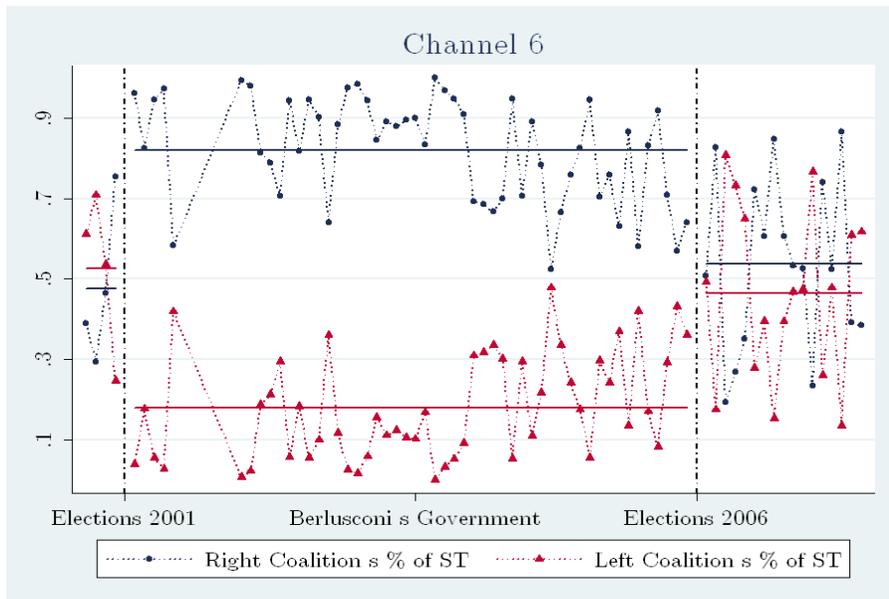
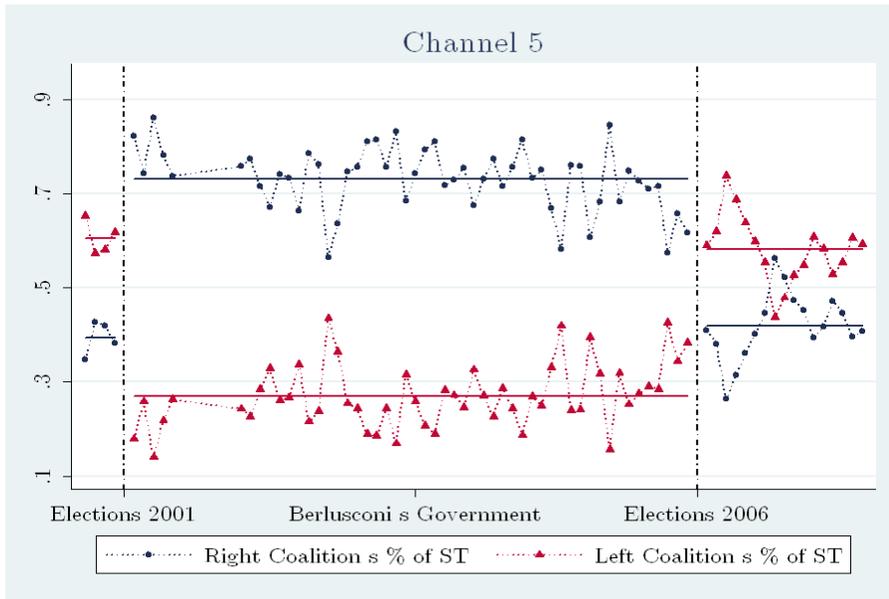
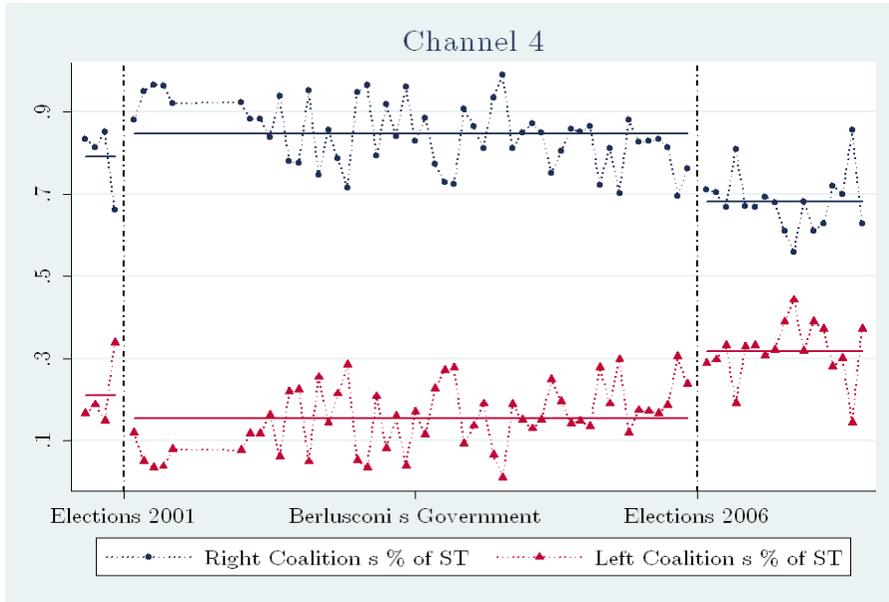


Figure 3. Right vs. Left Share of Total Speaking Time by Channel (RAI)

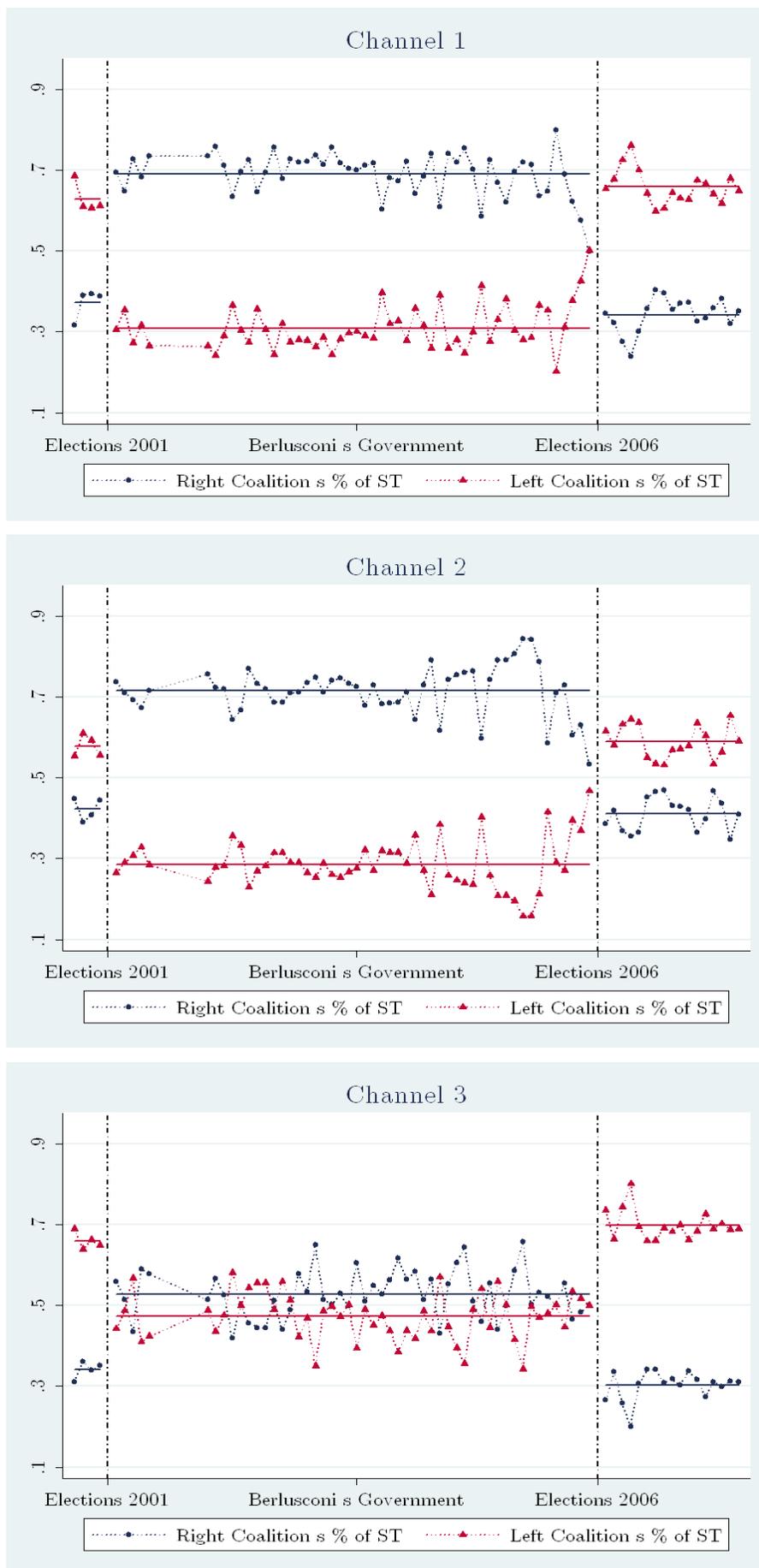


Table 2. Distribution of Total Speaking Time by Group and Channel

Dependent variables: Share of Total Monthly Speaking Time

	Right	Right	Right	Majority
Berlusconi_Gov	0.287*** [0.010]	0.287*** [0.010]	0.316*** [0.017]	0.144*** [0.017]
B.`s channels	0.191*** [0.014]			
Berlusconi_Gov * B.`s channels	-0.035** [0.017]			
B3		0.346*** [0.021]	0.289*** [0.026]	-0.289*** [0.026]
Berlusconi_Gov * B3		-0.143*** [0.024]	-0.172*** [0.029]	0.406*** [0.029]
B2		0.168*** [0.041]	0.111*** [0.039]	-0.111*** [0.039]
Berlusconi_Gov * B2		0.008 [0.045]	-0.021 [0.043]	0.201*** [0.043]
B1		0.057*** [0.011]		
Berlusconi_Gov * B1		0.029** [0.014]		
P1			-0.066*** [0.010]	0.066*** [0.010]
Berlusconi_Gov * P1			0.027** [0.013]	-0.106*** [0.013]
P2			-0.001 [0.012]	0.001 [0.012]
Berlusconi_Gov * P2			-0.015 [0.016]	-0.017 [0.016]
P3			-0.104*** [0.013]	0.104*** [0.013]
Berlusconi_Gov * P3			-0.099*** [0.017]	-0.308*** [0.017]
Constant	0.357*** [0.007]	0.357*** [0.007]	0.414*** [0.014]	0.586*** [0.014]
Observations	438	438	438	438
R-squared	0.630	0.710	0.790	0.720

Column 3 and 4 base outcome is B1 (Channel 5). Robust standard errors in brackets; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 3. Distribution of Majority Speaking among Different Members of the Ruling Coalition

Dependent Variables: Share of Majority Speaking Time

	Government	PM	Others Government	Majority Parties	Speakers
Berlusconi_Gov	0.098 [0.038]**	0.107 [0.028]***	-0.008 [0.032]	-0.092 [0.038]**	-0.006 [0.007]
B3	-0.326 [0.031]***	-0.106 [0.015]***	-0.221 [0.028]***	0.358 [0.030]***	-0.032 [0.008]***
Berlusconi_Gov * B3	0.382 [0.036]***	0.293 [0.024]***	0.089 [0.032]***	-0.376 [0.035]***	-0.006 [0.009]
B2	-0.024 [0.053]	0.053 [0.045]	-0.077 [0.043]*	0.011 [0.047]	0.014 [0.016]
Berlusconi_Gov * B2	0.005 [0.058]	0.062 [0.051]	-0.057 [0.049]	0.041 [0.052]	-0.046 [0.016]***
P1	-0.047 [0.017]***	0.022 [0.011]**	-0.070 [0.017]***	0.037 [0.019]*	0.010 [0.007]
Berlusconi_Gov * P1	-0.037 [0.023]	-0.133 [0.018]***	0.096 [0.023]***	-0.001 [0.024]	0.038 [0.009]***
P2	-0.111 [0.016]***	0.013 [0.008]	-0.124 [0.016]***	0.112 [0.017]***	0.000 [0.006]
Berlusconi_Gov * P2	0.008 [0.027]	-0.135 [0.018]***	0.143 [0.024]***	-0.039 [0.028]	0.031 [0.009]***
P3	-0.055 [0.021]**	0.012 [0.012]	-0.067 [0.021]***	0.046 [0.019]**	0.009 [0.008]
Berlusconi_Gov * P3	-0.095 [0.026]***	-0.130 [0.018]***	0.035 [0.027]	0.066 [0.024]***	0.029 [0.010]***
Constant	0.560 [0.032]***	0.162 [0.020]***	0.398 [0.025]***	0.387 [0.033]***	0.053 [0.005]***
Observations	414	414	414	414	414
R-squared	0.330	0.440	0.200	0.310	0.460

Base outcome: B1 (Chamel 5). Robust standard errors in brackets; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 4. Distribution of Coverage across News Categories (by Group)

Dependent Variable: Share of Total Weekly News Reports

	World News	Labor & Social Issues	Crime & Security	Politics	Sports & Entert.
Public	0.062*** [0.002]	0.015*** [0.001]	-0.033*** [0.002]	0.028*** [0.001]	-0.050*** [0.002]
Constant	0.133*** [0.001]	0.034*** [0.001]	0.185*** [0.001]	0.049*** [0.001]	0.134*** [0.001]
Observations	340	340	340	340	340
Number of weeks	170	170	170	170	170
R-squared	0.860	0.550	0.540	0.730	0.840

Base outcome: Berlusconi's Channels. Robust standard errors in brackets; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table 5. Distribution of Coverage across News Categories (by Channel)

Dependent Variable: Share of Total Weekly News Reports

	World News	Labor & Social Issues	Crime & Security	Politics	Sports & Entert.
P1	0.039*** [0.002]	0.006*** [0.001]	-0.012*** [0.003]	0.028*** [0.002]	-0.039*** [0.002]
P2	0.033*** [0.003]	0.006*** [0.001]	-0.012*** [0.003]	0.019*** [0.001]	-0.027*** [0.002]
P3	0.071*** [0.003]	0.029*** [0.002]	-0.046*** [0.003]	0.037*** [0.002]	-0.083*** [0.002]
B2	-0.047*** [0.003]	-0.010*** [0.001]	0.065*** [0.004]	-0.021*** [0.001]	0.049*** [0.004]
B3	-0.001 [0.003]	0.006*** [0.002]	-0.031*** [0.004]	0.021*** [0.002]	-0.045*** [0.003]
Constant	0.150*** [0.002]	0.035*** [0.001]	0.175*** [0.002]	0.049*** [0.001]	0.132*** [0.002]
Observations	983	983	983	983	983
Number of weeks	170	170	170	170	170
R-squared	0.700	0.420	0.610	0.580	0.750

Base outcome: B1 (Channel 5). Robust standard errors in brackets; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Figure 4. Favorite News Channel by Political ID (2001-2004)

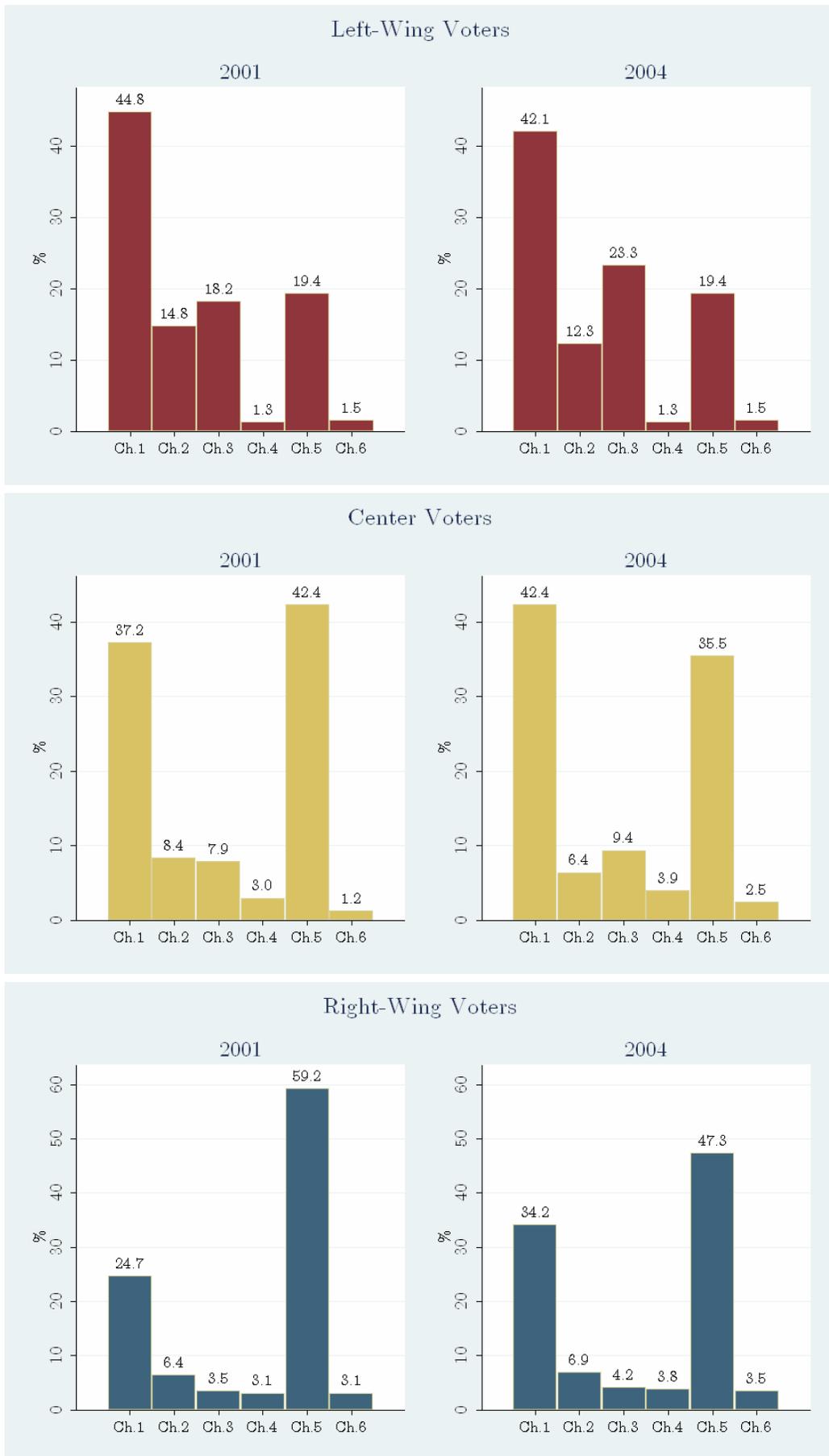


Table 6. Favorite News Channel by Political Ideology (2001 vs. 2004)

Dependent variable: Favorite News Channel

	Public Channels	Channel 1	Channel 2	Channel 3	Channel 4	Channel 6
Political Ideology	-0.378*** (0.030)	-0.347*** (0.032)	-0.387*** (0.051)	-0.522*** (0.057)	-0.032 (0.091)	-0.106 (0.098)
2004	0.223 (0.782)	0.712 (0.930)	-0.661 (1.364)	0.814 (1.473)	2.431 (3.156)	1.566 (3.101)
2004*Political Id.	0.110*** (0.031)	0.133*** (0.035)	0.110* (0.057)	0.040 (0.065)	0.056 (0.104)	0.100 (0.111)
Constant	-0.205 (0.846)	1.875* (1.109)	1.454 (1.277)	-8.381*** (2.454)	-1.148 (2.712)	-2.723*** [0.574]
Observations	2756	2756	2756	2756	2756	2756
Log Likelihood	-1576	-3209	-3209	-3209	-3209	-3209
Pseudo-R square	0.162	0.155	0.155	0.155	0.155	0.155

Column 1 base outcome: Berlusconi's channels. Other columns base outcome: B1 (Channel 5). The following controls and their respective interaction with the 2004 dummy are included: gender, education, age, occupational status, social class, church attendance, interest in politics, index of political knowledge, TV exposure, regional fixed effects. Robust standard errors in brackets; * significant at 10%; ** significant at 5%; *** significant at 1%.

Figure 5. Percentage Offset by Political ID

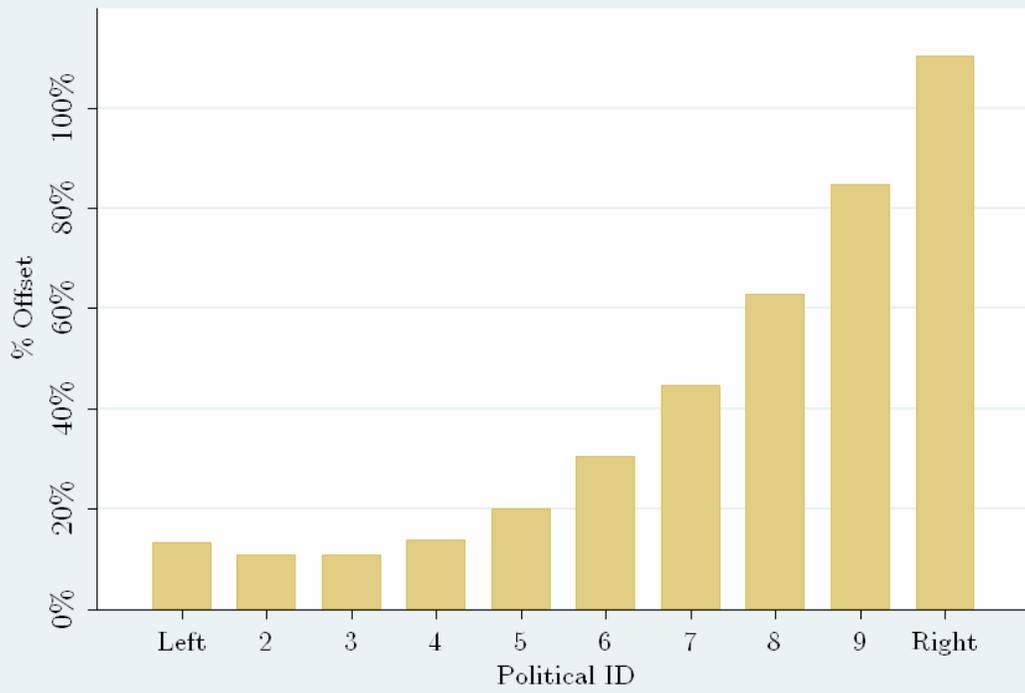


Figure 6. Trust in Public and Berlusconi's Channels by Political ID (2001-2004)

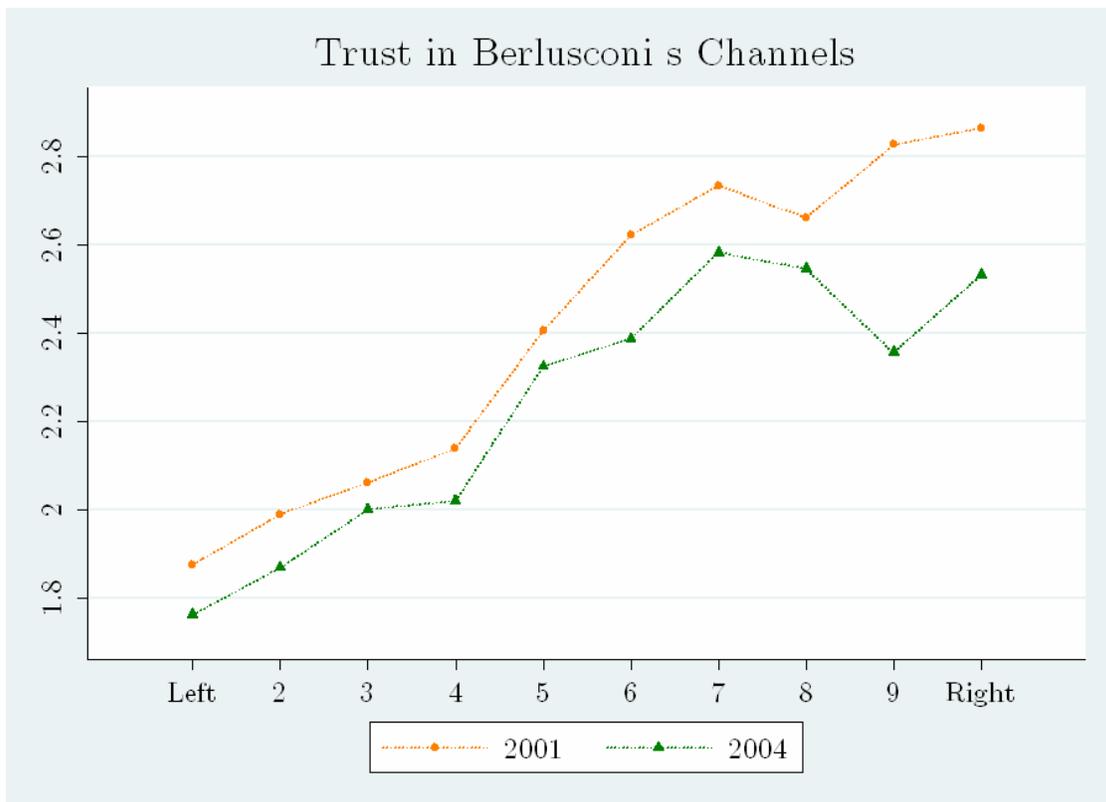
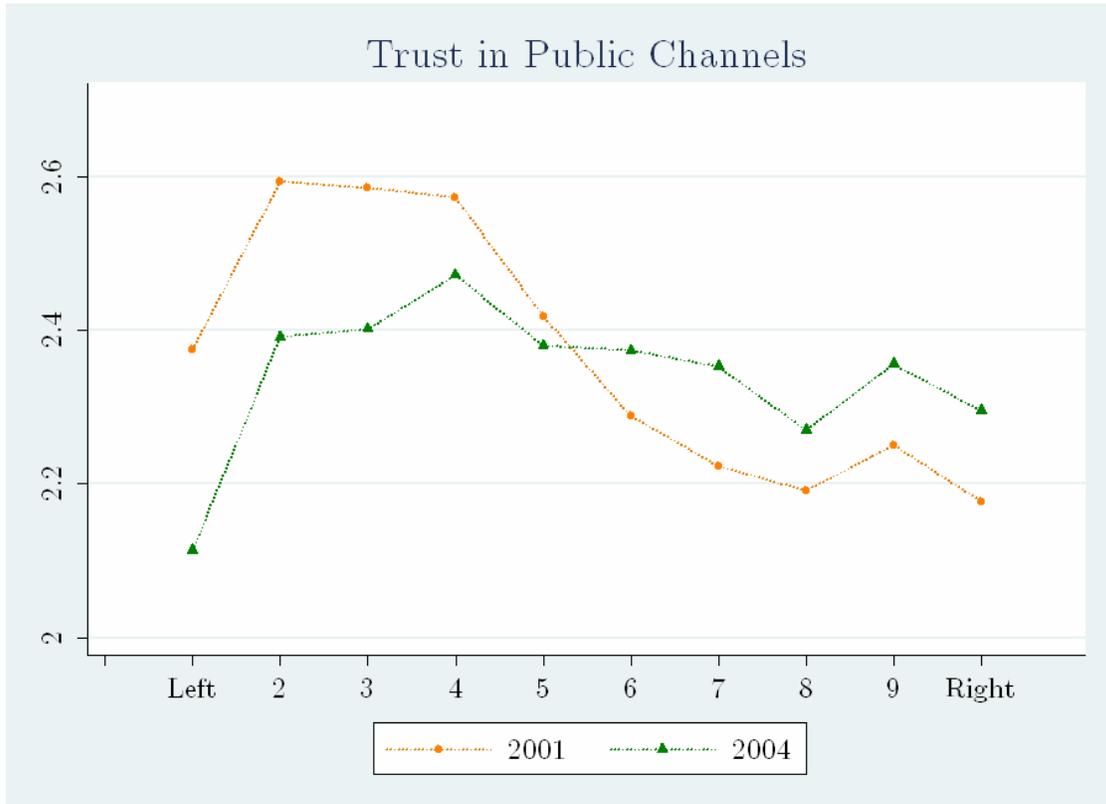


Table 7. Trust in Public and Berlusconi`s TV (2001 vs. 2004)

Dependent variable: Self-Reported Level of Trust

	Trust RAI	Trust Mediaset	Trust RAI - Trust Mediaset
Political Self-ID	-0.063*** (0.008)	0.112*** (0.008)	-0.175*** (0.010)
2004	-0.089 (0.275)	0.165 (0.289)	-0.249 (0.351)
2004*Political Self-ID	0.051*** (0.010)	-0.016 (0.010)	0.068*** (0.013)
Constant	2.228*** (0.234)	1.715*** (0.241)	0.517* (0.288)
Observations	2721	2701	2701
R-squared	0.078	0.187	0.179

*The following controls and their respective interaction with the 2004 dummy are included in the regressions : gender, education, age, occupational status, social class, church attendance, interest in politics, index of political knowledge, TV exposure, regional fixed effects. Robust standard errors in brackets; * significant at 10% ; ** significant at 5% ; *** significant at 1% .*

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APPENDIX

Major Italian Political Parties (2001-2007)

Party	Coalition
Forza Italia	Center-Right
Alleanza Nazionale	Center-Right
Unione di Centro ¹	Center-Right
Lega Nord	Center-Right
Movimento per l'Autonomia	Center-Right
Nuova Democrazia Cristiana	Center-Right
Nuovo Partito Socialista Italiano	Center-Right
Partito Repubblicano Italiano	Center-Right
Democratici di Sinistra ²	Center-Left
La Margherita ^{3,4}	Center-Left
Rifondazione Comunista	Center-Left
Partito dei Comunisti Italiani	Center-Left
Verdi	Center-Left
Italia dei Valori ⁵	Center-Left
La Rosa nel Pugno	Center-Left
Sinistra Democratica	Center-Left
Socialisti Democratici Italiani ⁶	Center-Left
UDEUR	Center-Left
Socialisti Craxi	Center-Left
Südtiroler Volkspartei	Center-Left
Alternativa Sociale	Independent
Azione Sociale	Independent
MSI Fiamma Tricolore	Independent
Democrazia Europea	Independent ⁷
I Radicali ⁸	Independent
Partito dei Pensionati	Variable ⁹

¹ Previously Centro Cristiano Democratico (CCD), Cristiano Democratici Uniti (CDU).

² From October 2007 merged into Partito Democratico

³ Previously Partito Popolare Italiano (PPI), "I Democratici", and Rinnovamento Italiano.

⁴ From October 2007 merged into Partito Democratico.

⁵ Previously "Lista Occhetto-Di Pietro".

⁶ From November 2006 merged into the "Rosa nel Pugno".

⁷ Not affiliated with any major political coalition until December 2006 when it merged into the UDC.

⁸ From November 2006 merged into the "Rosa nel Pugno".

⁹ Part of the Center-Left coalition from February 2006 to November 2007 when it joined the Center-Right coalition.

ITANES 2001-04 Panel Survey – Relevant Questions

Politica Self-Identification

Question: In political matters people talk of “the left” and “the right”. In this card there is a row of cells going from the left to the right. Thinking about your political opinions, where would you place yourself?

Left									Right
A	B	C	D	E	F	G	H	I	L

Does not want to place him/herself
Don't know
No answer

TV News Consumption

Q.: Do you usually watch news programs? If so, how often?

No, never
Less than once a week
1 day a week
2 days a week
3 days a week
4 days a week
5 days a week
6 days a week
Every day
No answer

Favorite TV News Program

Q.: Which news program do you usually watch most?

Tg1 (RAI1)
Tg2 (RAI2)
Tg3 (RAI3)
Tg4 (Rete 4)
Tg5 (Canale 5)
Studio Aperto (Italia 1)
TMC News
Local news program
Other news program

Trust

Q.: Please tell me how much you trust each of the following institutions (i.e. very much, some what, little, not at all)

		Very much	Somewhat	A little	Not at all	Don't know	No answer
1	Parliament	1	2	3	4	9	-1
2	Political Parties	1	2	3	4	9	-1
3	President of the Republic	1	2	3	4	9	-1
4	Catholic Church	1	2	3	4	9	-1
5	Armed Forces	1	2	3	4	9	-1
6	Judiciary	1	2	3	4	9	-1
7	Press	1	2	3	4	9	-1
8	RAI-TV	1	2	3	4	9	-1
9	Mediaset TV Stations (Canale5, Rete4, Italia1)	1	2	3	4	9	-1
10	Trade Unions	1	2	3	4	9	-1
11	Police and Carabinieri	1	2	3	4	9	-1
12	Public Administration	1	2	3	4	9	-1
13	Confindustria (Business' union)	1	2	3	4	9	-1
14	European Union	1	2	3	4	9	-1

Perception of partisan bias

Q.: Have you had the impression that the news program you watch the most is in favor of one of the political coalitions?

Yes

No

Don't know

If yes

Q.: In favor of which one?

Center-Left

Center-Right