

Reading Introduction

Triggering Extremist Platforms: Political Consequences of Profit-seeking Media

a. What is the question (of the paper)?

This paper deals with the influence of a profit-seeking media outlet on the political choice of a swing voter's belief about the unknown quality of office-seeking politicians who trigger extremist platforms to challenge an incumbent with known quality, where models are established to discuss about the theoretical equilibrium for such mechanism.

b. Why should we care about it?

Nowadays, people in more and more countries or regions in the world own the right of voting such as selecting political leaders. Policy extremism increases the information value concerning a relatively unknown challenger since voters may face a higher loss if making an incorrect choice while the media outlet tend to spread information that can enlarge the coverage of a high quality challenger in order to maximize their profits. If the voters have some general ideas of how the mechanism works in the voting session, for instance, what the profit-maximizing media can affect populism within the media coverage, it may help them to make good decisions and cut down the cost of wrong choices.

Real Word Example:

The unexpected result of the 2016 US Presidential election attracts our attention to the role that the media play facing the extremist politicians. Before the election, the voters inside the US and people from other countries reached some information about the politicians to be elected through the media coverage. Such information had some effect on people's expectation of the voting result since some swing voters may have changed their minds due to the information. Even though, the final outcome seemed to surprise a majority of people all over the world. Such phenomenon invokes people's curiosity about what roles the profit-seeking media play in all kinds of the elections.

c. What is your (or the author's) answer?

- (1) The voters incline to vote for the incumbent without considering more information when faced with an extreme challenger, resulting in the bounds to the platform extremism level in equilibrium.
- (2) If media are absent, there would be no signal mechanism with platform extremism.
- (3) For a profit-seeking media outlet, its consideration of ideology would decrease platform extremism.

d. How did you (or the author) get there?

To begin with, the authors build up a model to reveal the mechanism of the media behavior, the voters' belief about the unknown quality of the new politician, and the platform extremism produced by the new politician. Then, the authors focus on the demand and supply of the media coverage based on the above model, followed by analyzing the equilibrium political challenge with exogenous extremist policy alternative from various aspects. In addition, the authors pay attention to the challenger determined degree of the platform extremist with sufficient mathematical deductions to obtain some other equilibrium and refinements for the equilibrium. Finally, the authors put forward a series of empirical implications from the above analysis and theoretically discuss some ideas of relaxing the assumptions of the established model and mechanism.

Notations

γ : The prior probability that the quality of the challenger is H.

h : The additional utility of electing a high-quality challenger.

Z : The available policy platform other than the incumbent's platform 0.

z : The distance from the voter's ideal policy.

α : The payoff of re-electing the incumbent.

k : The cost of the challenger's entry.

1 (in $k+1$): The amount that the office rent over-compensates the cost of entry.

Q : The size of media coverage.

$c(Q)$: The cost of media outlet.

σ : A function of a strategy for the challenger.

Δ : The challenger's private known type.

F : The function of a strategy for the media outlet.

v : The function of the voter's strategy.

y : The policy platform committed to by the political challenger.

ρ : The voter's belief that the challenger is of type H.

σ_p : The informative extremism if a type H challenger enters the contest at Z with probability 1 while his type L counterpart randomizes between entering at Z with probability p and staying out with probability $1-p$.

$\pi(Q)$: The profit function of the media.

$Q^*(Z, p)$: The profit maximizing supply of media coverage.

μ_z : Weak-Monotone (WM) off-the-equilibrium beliefs.

$$\bar{Q}: \bar{Q} = \frac{1}{1+k}$$

$$\bar{Z}: \bar{Z} = \frac{c'(\bar{Q})}{1-\gamma} - \alpha$$

$$\hat{Z}: \hat{Z} = h - \alpha \left(\frac{1-\gamma}{\gamma} \right)$$

$$\hat{Q}: \hat{Q} = c^{-1} \left(((h - (\alpha + Z)) \left(\frac{Z + \alpha}{h} \right)) \right)$$

$G(t)$: The gain of type t from making the deviation relative to the equilibrium.