

Comments on Luke Miner's:  
*The Unintended Consequences of Internet Diffusion:  
Evidence from Malaysia*

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# Summary

- Luke's paper develops a simple model based on Besley and Prat (2006) in which there are two types of media: traditional media outlets (TV and radio) and web outlets (the internet).
  - Media firms can decide whether to report that candidates are bad or not
  - The incumbent government can buy off the traditional media to ensure there is not reporting of their wrongs
    - Critically it is assumed that internet firms will not be bought
- It follows that the larger the penetration of internet, the more informed are voters about the true type of the incumbent (which they do not directly observe) and the less support incompetent incumbents will have
  - Two main predictions: i) internet penetration will reduce the vote share of the incumbent and, ii) this will increase the turnover of incumbents.

# Summary

- The model's predictions are tested using data from Malaysia's state legislative elections
- This entails measuring internet penetration at the legislature district/year level.
  - This is done by mapping IP addresses to approximate geographical location (city)...
  - ...and using GIS tools to aggregate the data at the district level
- Two issues:
  - ① This procedure is not free from measurement error
  - ② Internet coverage growth may be endogenous to political trends
- To account for these problems the paper uses an IV strategy, based on the distance of each district to the internet providers' backbones

# Summary

## Findings:

- Large causal effect of internet growth on elections results. Internet explains over 10% of the drop in the support to the long-lasting BN ruling party in the 2008 elections
- Results robust to a large set of exercises and falsification tests
- Plus internet growth also affects incumbents' turnover and voters turnout.

## The pros and cons of discussing this paper

- Very polished LSE Job Market Paper,
- which thanks the comments and suggestion of scores of economists much cleverer than me.
- So I have not much to say (and I hope that the audience can help me out)
- On the other hand this makes my job much easier

## Praising the paper

- Usually discussions start by praising the paper...
  - ...only to trash it shortly afterwards
- Let me start with then with the good things:
- The model is very simple yet has powerful, testable predictions
  - This is how I think political economy models should be
- The paper shows a great deal of knowledge of Malaysian politics, media firms, and trends of technology adoption
- The data sources and the measurement efforts (pertaining internet penetration) are amazing
  - Plus the reliability of the penetration proxies is carefully checked
- The empirical strategy is convincing and the results are credible
  - Especially for the myriad of robustness checks and falsification exercises.

Now the destruction...

?

There isn't any.

## Just something to kick off the discussion

- I would like to hear from you about two of the model's assumptions which I believe largely drive the predictions and do not seem that close to reality:
  - ① Voters do not know the type of the incumbent unless it is revealed by the media
  - ② The web-based media cannot be captured
- Regarding the second point I wonder why the BN did not renege their promise not to censor the internet once they realized it constituted a threat? (main result already present for the period 1995-1999)
  - Or anticipate it for that matter, in a more dynamic setting
- Also, I did not find that convincing the comparison of Malaysia with China.
  - Why can Malaysia not make the censoring investments that China can?
  - Do you imply that the China's internet controls have not worked at all?