

Discussion of Politicization of Intelligence Reporting: Evidence from the Cold War

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Summary

- The paper looks at the incentives of CIA to pander to the preferences of the US president
- Provides a model in which career concerns make pandering an optimal strategy
- Use CIA reports on the Soviet strategic nuclear arsenal
- Compare with recent data on actual Soviet strategic nuclear arsenal
- Results indicate that reports were more likely to overestimate the Soviet arsenal if president was more “hawkish”

- Cool paper!
- Well motivated
- Rare example when “truth” is actually revealed
 - ▶ standard problem in studying “biased” media
- Great measure of “hawkishness”
 - ▶ use textual analysis of defiance speeches and compare word usage with most extreme congressmen

Framing

Minor and not very important point

- The paper is framed as mainly related to the literature on media bias
- But usually media bias refers to the bias in **mass** media
 - ▶ here the situation is exactly the opposite
 - ▶ the message is sent to one person and making it public is a criminal offense
- But it looks more closely related to the literature that examines games between experts and decision makers.
 - ▶ Cheap talk with reputational concerns is mentioned in the paper, but only in passing
 - ▶ Works by Ottaviani and Sorensen
 - ▶ Recent papers by Golosov, Skreta, Tsyvinski, and Wilson, Klein and Milovanov

- This is not just a paper - this is a JOB MARKET paper
 - ▶ showing muscles is one of the goals
- As a result, model looks vastly overcomplicated, although the results are very intuitive
- Why not just two periods?
- Why do you need to endogenize
- In general it would be nice to clarify the description of the equilibrium

Model

Minor points

- Why θ is a random variable and not a parameter? If presidents know where θ comes from they should take it into account when updating their posterior.
- What is the the intuition behind refinement of equilibria to “symmetric”?
- Stationarity follows from MPE if date is not a state variable
- What to we know about G function? What parameters affect its shape?
- Make it clear that when you talk about increasing error you don't mean its magnitude, but row error
- Predictions in words should be accompanied by the corresponding statement in terms of derivatives
- Not clear why you need Prediction 2, especially since it depends on a very strong assumption

- Need to provide details on when and how data was declassified (important for understanding the pattern of missing data).
- Separate Background section from Data section
- Need to know MUCH more about Bureau of Atomic Scientists and their “doomsday” measure
- Not clear if “clock” variable is a good measure of popular mood. Consider constructing words-based measure using main newspapers.
- Coding of “hawkishness” based on extreme congressmen might be problematic if what is changing is the polarization of the Congress
 - ▶ Why not use time-invariant measure for robustness

Empirical Model

- Dependent variable is measuring row error ($reported_{itt'} - actual_{it}$)
- But most of the control variables should affect the absolute magnitude of the error, regardless of its direction.
 - ▶ Interact either with θ or with $I(Y>0)$
- Dynamic panel model might be more appropriate
 - ▶ both reported and actual numbers in period t should depend on their values in period $t-1$
- Low variation in θ (only seven presidents) is a big problem
 - ▶ should pay more attention to interactions

- Very confusing checks for DCI ideology
 - ▶ either they are political appointees and then it' OK to equate their ideology with the president who appointed them
 - ★ but then separating pre-Carter results does not make sense
 - ▶ or they are not
 - ★ but then there is still a possibility of endogeneity
 - ★ besides, it is not clear that it is all about the Director and not the ordinary analysts
- Is it robust to dropping Johnson?
- Not clear what we learn from collapsing time variation

Results

Some random observations

- Measure based on words usage looks better than the nominate score, but the results are weaker. Why is this the case? Maybe reflects the fact that using extreme congressmen is not the best approach?
- The pandering is noticeably lower not only in the first year, but in the third as well. Does it have anything to do with Congress elections?