

Do Political Blogs Matter? Corruption in State-Controlled Companies, Blog Postings and DDoS Attacks

Ruben Enikolopov, Maria Petrova and Konstantin Sonin

Media Economics Workshop X
Bogota, Columbia

Discussion: Lisa George
Hunter College and the Graduate Center, CUNY

Discussion

- Summary
- Paper comments
- Does blogging matter?
- Do political blogs matter?

Summary

- Basic Question: *Do posts by an anti-corruption blogger affect stock returns of tracked firms?*
- Approach
 - Dependent Variables
 - Daily abnormal returns, Within-day 5 minute returns
 - Independent variables
 - Posts, post type, real events, attention
 - Basic Estimation
 - $AR_{it} = \gamma_0 + \gamma_1 post_{it} + \gamma_2 X_{it} + \epsilon_{it}$
 - Experiment (DDoS Attacks)
 - $AR_{it} = \gamma_0 + \gamma_1 DDoS_{it} \cdot interest_{it} + \gamma_2 DDoS_{it} + \gamma_3 X_{it} + \epsilon_{it}$
- Answer: *Clear, pronounced short term effects, some evidence of longer (post 30 day) effects.*

Comments

- Discussion
 - Importance of selection
 - Importance of attention
- Cumulative impact measures?
 - Overall
 - Public shareholders

The Medium: Does Blogging Matter?

- How effective would Navalny's anti-corruption activities be without the ability to blog?
 - Experiment? Blog shutdown limits reach.
- Does blogging increase the returns (or lower the costs) of activism?
 - Entry?
- Media inputs & sources
- *Where does credibility come from?*

The Message: Does Information Matter?

- Does information from other bloggers affect markets?
 - Experiment? Effect of Navalny relative to other news sources.
- Selection and importance
- Information inputs & sources?
- Alternatives for investors
- Where does credibility come from?