Imagine that the Labor Department releases new statistics that show the U.S. unemployment rate rising from 6.1 to 6.3 percent. One major newspaper reports this under the headline RECESSIO N FEARS GROW, with a photograph of a long line of people in Detroit waiting to receive unemployment compensation checks. In the story, a leading economist laments this evidence of the administration’s failed policies. Another newspaper’s story, TURNAROUND IN SIGHT, notes instead that the rate “inched up” by only 0.2 percent last quarter and showcases a Goldman Sachs strategist who declares that, because a soft labor market augurs well for corporate profits, the news bodes well for stock values.

This hypothetical example comes from “The Market for News,” a recent paper in the American Economic Review by Jones professor of economics Andrei Shleifer and Sendhil Mullainathan, professor of economics. They explain how the explosion of news media that has fueled fierce competition in the industry has not led to more accurate reporting. “Competition generally reduces newspaper prices,” the authors write, “but does not reduce, and may even exaggerate, media bias.” In fact, they say, “Powerful forces motivate news providers to slant and increase bias rather than clear up confusion.”

Mullainathan acknowledges that competition is good at providing people with what they want, at a lower price. But he adds that it’s a great mistake to assume that consumers of news media want only unslanted reports. Readers and television audiences do want accuracy—along with explanation, interpretation, persuasion, entertainment and, crucially, confirmation of what they already believe. “Media outlets do not provide unadulterated information,” the authors write, “but tell stories that hang together and have a message, what is referred to in the business as ‘the narrative imperative.’ In this view, news provision can be analyzed in
Right Now

the same way as entertainment broadcasting."

"Viewed as an economic transaction, what matters is accuracy as judged by the consumer," Mullainathan says. "It's not accuracy with a capital A, as in some objective measurement. Economically, the ones who count are the viewers or readers in your market segment. CBS news viewers feel that CBS is accurate and Fox News is biased—and vice versa."

The researchers also make a deeper point about the nature of competition. Mullainathan draws the analogy of a long beach occupied by swimmers enjoying the sun. An ice-cream vendor arrives. If all the swimmers are at one end of the beach, the vendor would set up the stand there. But if customers are spread out along the entire beach, the single vendor should locate in the middle of the beach to offer easy access to the most customers.

"Think of that beach as the political spectrum," Mullainathan says. "If there is one seller, you locate in the middle—just as a monopoly newspaper will locate itself in the center of the political spectrum to draw the most readers. But if a second seller sets up in the center, the two newspapers will just be competing on price. So instead they segment the market, with one paper going to the right-hand side of the beach, the other to the left." One paper might even go to the extreme right end of the beach, where it can charge a higher price to readers who don't want to make the long walk to the left. "As two firms move farther out from the center," Mullainathan says, "they insinuate themselves more with their customers." In just this way, the researchers write, "Newspapers locate themselves in the product space through their reporting strategies (i.e., how they slant)." Bias is not a product defect, but a feature.

For the average consumer, who takes in but one source of news, competition "tends to polarize beliefs, and increases the slanting of individual media sources, and the bias of the average reader," the authors write. But for a hypothetical conscientious reader who consumes news from a wide variety of media, the different biases "tend to offset each other, so the beliefs of the conscientious reader become more accurate than they are with homogeneous readers. Our central finding is that heterogeneity plays a more important role for accuracy in media than does competition."

It is different with generally noncontroversial subjects. After September 11, for example, hardly anyone in America was asking whether U.S. actions had led to the attacks. Similarly, in the realm of criminal justice, public interest in incarceration far outweighs that in rehabilitation. For topics like these, "You could watch both liberal- and conservative-slanted media and still not get all the facts," Mullainathan says. But whatever the coverage, he notes, "Every consumer will feel like his or her news is not biased. That's the power of bias. You still think you're getting accurate news."

—CRAIG LAMBERT

OTHERLY LOVE

The Law of Dissimilars

HUMANS HAVE a natural propensity to distrust the “other.” The classic social-psychology experiment in which individuals are randomly assigned group identities—the red dots versus the blue dots, for instance—and left in a room to resolve conflicts has shown that we quickly revert to adversarial tendencies, pitting “us” against “them.” Politicians throughout history have exploited this to horrific ends; recent wars in the Balkans, Rwanda, and Sudan are among the chilling examples.

But what might the world look like if leaders saw an advantage in promoting not simply tolerance but liking of other groups? This question has fueled a multi-layered research initiative headed by Todd L. Pittinsky, Ph.D. ’01, assistant professor of public policy at the Kennedy School of Government and a core faculty member at its Center for Public Leadership. Pittinsky, who admits he has “a track record for liking to turn things around,” coined the term allophilia from Greek roots meaning “love or like of the other” after he was unable to find an antonym for prejudice in any dictionary.

“Social scientists have long observed intergroup dislike and hatred, and they have become quite sophisticated at piecing together that puzzle,” he explains. "To help solve some of our most pressing domestic and global public problems, social scientists must develop an equally sophisticated understanding of intergroup liking and love."

Pittinsky wondered whether allophilia might provide an alternative to conventional leadership strategies for reducing intergroup conflict. Encouraging positive intergroup feelings might add an important missing piece, he felt, to existing tactics such as prejudice reduction, intergroup contact, individuation, and the introduction of transcendent goals and identities. Prejudice reduction, for instance, aims only to achieve a state of tolerance. But tolerance, Pittinsky notes, is but a midpoint between prejudice and positive intergroup relations—it is not the opposite of prejudice. When objective conflicts arise, people are likely to slip back to their adversarial positions. Ensuring peace demands something stronger than tolerance: namely, the promotion of favorable attitudes toward members of “out groups,” i.e., allophilia.

Though real-world examples of allophilia don’t exactly abound, the phenomenon may be commoner than supposed. Pittinsky points to college students and Fulbright scholars who fall in love with foreign cultures that they experience or study. Martin Luther King Jr., he notes, explicitly stressed the need to move beyond tolerance to positive inter-

Sendhil Mullainathan e-mail address:
mullain@fas.harvard.edu

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