A Theory of the Press: Entertainment, Bad Guys, And a Search for Certainty

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Abstract

This paper develops a “theory of the press” designed to explain why newspapers and other media protect their sources and certain public figures in some cases and expose personal facts about them in others. The theory suggests that the primary function of the news media is not to inform but to provide entertainment, and that this fundamentally affects what information is and is not presented to its consumers. Moreover, it provides the basis of a theory that explains media behavior in general.

Keywords: political economy, news, media, manipulation, bias


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Thank you, Michael C. Jensen
A Theory of the Press: Entertainment, 
Bad Guys, And a Search for Certainty

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When will a prominent figure, political or private, be “protected” by the press? When will sensitive matters in his personal life—sex, financial matters, drinking habits, etc.—be kept out of the press? What is it that determines the point at which producers of the news feel free to attack him in full as happened recently with Willy Brandt, Richard Nixon, Lyndon Johnson and Wilbur Mills?

How can we explain the role of the syndicated columnist, especially the muckrakers like Drew Pearson and Jack Anderson?

Why is the news seemingly so often presented in terms of personal conflict between individuals?

Why is the news presented in the form of simplistic hypotheses (usually involving good versus evil) rather than the outcome of a complex equilibrium system which I believe is far more accurate?

* Mr. Jensen is an associate professor at the Graduate School of Management of the University of Rochester. This article is taken from his speech at the recent 3rd Annual Conference on Analysis and Ideology in Interlaken, Switzerland. In it, he develops a “theory of the press” designed to explain why newspapers and other media protect their sources and certain public figures in some cases and expose personal facts about them in others. He suggests that the media’s tendency to entertain rather than to inform and the public’s fascination with crises are important elements, in explaining media behavior.
Why are businessmen and business in general given such little attention in the news? Why when they are given attention in the news are they usually treated as scapegoats for some scandal?

Why do Markets and the free market system generally receive such unfavorable treatment by the press?

Most of the demand for the product of the various “news” services derives not from individuals’ demands for “information” but rather from their demands for entertainment. In that sense, the news media is in competition with drama, soap operas, situation comedies, fictional writing, and sports events.

Observing the almost overwhelming devotion of the news media to political events, quasi-events and non-events, it is easy to delude oneself into believing that people have a demand for information about the political sector.

Anthony Downs in his “an Economic Theory of Democracy,” argues persuasively, however, “. . . that for a great many citizens in a democracy, rational behavior excludes any investment, whatever in political information per se.” Furthermore, since the mere assimilation of free information consumes resources such as time and intellectual effort, I hypothesize that almost all of the information which most individuals in fact assimilate from the free data available to them comes primarily as a by-product of their consumption of entertainment.

Once we understand that the primary function of the news media is to provide entertainment of a specialized form, we are in a position to understand why the press reports as it does.

A fundamentally important fact which characterizes the demand for news is that people (especially those, who are not members of the scientific community) have an enormous intolerance for ambiguity. That is, they demand answers or explanations to problems, puzzles, or mysteries even if one is not available.
In a very real sense, the press plays the role of the modern medicine man. Given the consumer’s demand for answers, it pays newsmen to dream up answers to problems like what causes inflation, unemployment, the energy crisis, high food prices, poverty, criminal behavior, etc. Since journalistic ethics generally prevent the newsman from offering his own opinions in the news columns, what he in fact does is to search out people who will offer these answers.

Moderate perusal of almost any paper, TV news program or popular magazine indicates that it is not necessary that these hypotheses be consistent with available evidence, or what is worse, it doesn’t even seem to matter if they are contradicted by available evidence.

In fact, evidence and/or careful logical reasoning are almost impossible to get past the average newsmen or editor and seldom appear in any papers or newscasts. Some magazines occasionally seem to indulge the reader in such exercises, but very seldom.

The reason, I believe, is that the average consumer doesn’t find such material interesting (read that entertaining) and thus the producers have a positive incentive to suppress it. Most people basically reject the methods of science when it comes to these matters which have very little direct and immediate payoff to them. Thus emotionalism, romanticism and religion play a large role in the demand for news.

The Devil Theory is a major reason why we observe so little of what I would call analysis in the news. Governmental programs never fail because they are badly designed with inappropriate incentives (welfare, urban renewal, foreign aid and Medicare are all examples). Such programs almost always fail, according to the media, because evil men with evil motives pervert the system for their own ends.

It also explains, I think, why the press evidences such enormous concern for the motivation of individuals involved in newsworthy controversy. Evil motives—or what is the same thing to the consumer and therefore the press, selfish motives—never lead to
good consequences. Therefore, we seldom observe in the news any analysis of substantive issues. Analysis of the motives of the parties involved suffices as a substitute.

There is another slightly more subtle version of the Devil Theory which exists. It does not hold that all bad is done by evil men. Rather, it is the theory that the “system” (usually, but not always, the market system) induces men to behave in a selfish manner and this leads to evil.

Why do we so often find the press carrying glowing stories of the benefits derived by governmental programs such as urban renewal (often times even when they are in the process of failing miserably)? And why are we so seldom treated to glowing reports by the press about how a housing developer, for example, has improved the standard of living of 5,000 families by planning and completing a new subdivision of 5,000 homes—a feat made no less remarkable (as compared to urban renewal) through its accomplishment by voluntary exchange?

Or, to put the issue in its starkest form, why is it that the public at large and the press which reflects its views are so basically antagonistic toward markets in general? I believe a major element in the determination of these attitudes is due to the structure of the family, in particular the way in which we raise children and the reflection of these values in religious dogma.

Consider the family environment. We instill in our children early in life (or attempt to) a strong set of values regarding their duties and obligations to other members of the family. In almost all societies, we endow them with a strong set of values which indicate that each individual is to do things for other members of the family without compensation. This carries over into adulthood and is reflected in the prevailing attitude of people that one should be good and kind and perform services for his fellow man without expecting direct compensation.

As a result, many people seem to believe that in some sense a society in which every man is his “brother’s keeper” is the good society, and a society in which
individuals perform services or help others only in exchange for payment in dollars or in kind is crass, materialistic, basically selfish and most certainly undesirable.

There exists in people a historic longing for ideal communities or utopias populated with unselfish, loving people and I believe the family tradition is a major source of these longings.

However, if we step back a moment and analyze the family situation we can see that an indirect reward system has many characteristics which make it viable there. But these same characteristics will cause it to fail miserably as a way of organizing human cooperation in many other circumstances—especially in a highly specialized, mobile and therefore unavoidably impersonal modern society.

It is in this latter situation that explicit exchanges organized through the market, system with immediate balancing payments (usually but not always in the form of general purchasing power) are likely to be much more successful in organizing human interaction and cooperation. Why?

The family is characterized by very long-run relationships between individuals. Thus, if the exchanges between individual members of the family become seriously unbalanced or unfair (as judged by either party) the “exploited” party has many opportunities to withhold his services or cooperation from a too “selfish” or offending party in the future.

Why does it turn out to be more efficient to organize some exchanges on a quid pro quo basis (barter or money are examples) and others through a system of indirect and “unbalanced” exchanges through time? I say “unbalanced” exchanges for lack of a better term to refer what I believe is the crucial phenomenon at issue—whether the exchanges are continually balanced from transaction to transaction (that is, on a quid pro quo basis) or whether the books are balanced only over the long run.

Consider for the moment an example drawn from the other end of the spectrum from the nuclear family—a tourist environment in which the contacts between
individuals are generally of a much shorter (almost momentary) duration. In this situation, the possibility of non-quid pro quo exchanges between people is much more limited than in the family or in a neighborhood.

For one thing, the frequency of contact between 2 individuals may be very small (in the limit, once), and in this situation unless the offsetting favors can be performed immediately, the party wishing service has little or nothing to offer in the way of rewards or penalties.

Imagine the plight of an Englishman in passage to Los Angeles trying to persuade a New York taxi driver to take him from Kennedy to La Guardia if he is prevented from engaging in a quid pro quo transaction. Furthermore, in such situations it is likely, if we are to put any weight on observed evidence that these quid pro quo transactions will be most efficiently accomplished if they are allowed to take the form of monetary exchange for service rather than barter.

Thus, it seems clear that if we disallow not only monetary exchanges but quid pro quo exchanges in these situations, we will vastly reduce the cooperation between individuals (and in the case at hand, significantly increase the amount of walking by Englishmen).

News reporters will have an interest in maintaining a long-term relationship with their sources of news, and they can offer both rewards and penalties to those sources as motivation for cooperating. The producers of news are engaged in a continuing series of exchanges with various sources of news designed to maintain their cooperation. The rewards seldom seem to be in the form of direct monetary payment but rather take the form of favorable publicity and recognition.

The threat of unfavorable publicity can and does serve as a means for the news media to elicit cooperation—and on occasion the threat is direct and open. We can also expect reporters to grant favors to important news sources by avoiding the publication of material the news sources would find harmful.
One of the implications of this exchange process is that those newsmen or producers who have greater rewards to offer potential news sources will be less likely to cater to the preferences of those news sources than papers, magazines, or TV Stations with smaller rewards to offer.

On the other side, news sources with monopolistic control over information of value to newsmen will tend to demand and receive more favorable treatment by the news media. If we can identify those individuals who possess such monopolistic access to information, they will be less often criticized in the news or have unpopular or damaging aspects of their personal life revealed.

Richard Daley, mayor of Chicago and boss of the last of the big city political machines, is a good example of this. In my stay in Chicago from 1962 to 1967, the press played a very active role in discovering and disclosing fraud and corruption in the city. I was continually amazed that none of this was ever attributed in any way to Daley personally; the wrongdoing was always attributed to some lower level functionary. All this, even though it seemed generally accepted that little of importance occurred in city government without Daley’s knowledge.

What is it that suddenly determines the point at which the producers of the news media feel free to attack a prominent official or personality in full? This seems to happen relatively frequently with public officials; Willy Brandt, Lyndon Johnson and Wilbur Mills are examples. In each of these cases, the press suddenly seemed to break its “self-restraint” and aspects of the individual’s personal life such as sexual activities, financial affairs, and drinking habits became featured news.

I hypothesize that this will tend to occur when the individual in question loses control over his monopolistic access to information and his popularity with consumers of the news—or, in more general terms, when the benefits of the disclosures are larger than the present value of the costs (the future benefits of the exchange relation with the news
source which will be lost). A complete answer to this issue will involve more detailed knowledge about the demand for muckraking.

On the other hand, those individuals or groups with great popularity with readers and viewers will tend to receive more favorable treatment by the press simply as a result of the press’s own interests in its marketing problem.

The greater is the power of the particular news agency the lower is the likelihood that the agency (paper, magazine, newspaper, TV station or network) will sacrifice its own short-run advantage to cater to the preferences of any given news source. The “New York Times,” “Fortune,” and “Washington Post” are in a strong position in this regard.

To the extent that there is competition on the news gathering side, individual news sources (government officials, etc.) with monopolistic access to information will have more power. And that power will be greater if the situation is such that the source can selectively exclude members of the Press from obtaining information on a timely basis.

The careful use of exclusive interviews or off-the-record conferences by such a news source can prove useful in providing incentives for all newsmen to curry his favor to avoid exclusion and to increase the likelihood of their receipt of an exclusive news break.

People seem to love crises; apparently because of their entertainment value. If this hypothesis is true and if it increases TV and radio news audience and newspaper and magazine readership, these media cannot be expected to remain passive bystanders reporting on the pathos cast up by life. In this sense, the press has strong incentives to foster sensationalism rather than calm dispassionate recounting of facts. But their incentives go far beyond mere sensational reporting. They have strong incentives to help manufacture such crises.

Contemplate the Woodward-Bernstein success story. Watergate has made them wealthy men and they seem to have understood this strategy well. Consider also the anatomy of such other recent “crises” as the N.Y. City default, energy, inflation, etc.
Politicians also have a strong vested interest in the creation of crises. It provides them the opportunity to justify their existence (by “saving” us), and to expand their powers by using the resulting hysteria to transfer rights from the private to the public sector. They thereby increase the demand for their services and their realm of influence. Thus, there exists a natural and close alliance of interests between the political sector and the news media in the creation and care and feeding of crises.

The business community does not seem to have a similar interest in the promotion of crises. Also, businessmen are not as inclined to court the media as political figures. Why? My hypothesis is that the publicity which the media can hand out as rewards are not as valuable to the non-politician.

However, the incentives facing the business community in its relations with the press appear to be changing. As the political sector grows larger at the expense of private markets, “the damage that the media have shown they are capable of inflicting on the owners of corporations is now providing a much stronger incentive for businessmen to cater to the news media.

The muckraking industry contains some interesting aspects which are not well understood, now and are worthy of consideration.

- Will it pay individual news organizations to avoid having muckrakers on their staffs so they can reduce the costs which might be imposed on them by those powerful individuals they criticize—costs which would take the form of reduced access of their news reporters to information from these sources?
- One currently controversial issue is the right of newsmen to refuse under the First Amendment to disclose news sources. Granting newsmen such rights provides them the ability to bestow benefits on some information suppliers by reducing the potential costs they might bear from dealing with the press. It is not clear, however, that such a policy is in fact desirable. But the full
implications of the incentive effects of alternative rules on this issue have not been analyzed as yet.

- In many respects the relationship between the individual news reporter and the editor and publishers has some similarities to the relationship between professors and their universities. Professors can increase their own welfare by behaving somewhat like independent entrepreneurs in marketing their talents and services to the world at large, and for those that do so, conflicts often arise between their interests and that of the university employing them.

Many news reporters are in a similar situation and to the extent that they can gain personal renown by their actions, they can increase their independence from their particular media employer and transfer some of the benefits from their activities to themselves. They may also, on occasion, be able to generate benefits for themselves by actions which impose costs on their employers.

A detailed analysis of the structure of this agency problem might well yield some additional insights into the behavior of the media.