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NORTHWESTERN UNIVERSITY

FREE MARKET AND FREE PRESS:
ECONOMICS AND THE PRODUCTION OF POLITICAL NEWS

A DISSERTATION

SUBMITTED TO THE GRADUATE SCHOOL IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS

for the degree

DOCTOR OF PHILOSOPHY

Field of Communication Studies

By

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December 1996

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ABSTRACT

Free Market and Free Press: Economics and the Production of Political News

By

James B. White

Most journalists, policy makers and media scholars assume that a free market press with numerous firms competing vigorously for audiences produces the highest quality information for democracy. But a case study of daily newspaper coverage of the 1994 general election in one major metropolitan market finds marketplace competition has only a moderate impact on measures of key First Amendment concepts like "diversity of information." Instead, findings suggest economics works in other ways to influence the production of political news and information. The study also finds evidence that widely accepted conclusions about news coverage of national elections may not apply at the local level.

The study concludes that policies to improve the quality and diversity of political information that focus solely on encouraging competition in media industries most likely will not be successful. Instead, marketplace reform must be accompanied by changes in journalistic practice if true improvement in political information is to occur.

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Introduction

One of the most heavily reported local stories of the 1994 general election in Illinois was a state senate contest in Chicago's affluent North Shore suburbs. The race for the 29th Senate District pitted Grace Mary Stern, an incumbent democrat, against Kathleen Parker, a Republican businesswoman seeking her first elected office. The candidates offered voters a clear choice, differing in their positions on taxation, crime and education.

Local media also gave voters a choice. The Chicago metropolitan area features an extremely competitive media environment, including nine daily newspapers. Four of these papers circulate in the 29th State Senate District. They are the *Chicago Tribune*, one of the largest and most respected papers in the country; the *Chicago Sun-Times*, also highly regarded and the *Tribune's* chief competitor; and two suburban papers, the *Arlington Heights Daily Herald*, the third largest daily in Illinois, and the *News-Sun*, one of a chain of Chicago-area community papers. The *Tribune* supported Parker. The paper's editorial endorsement argued that Parker had "the kind of progressive Republican outlook that the North Shore embraces." The *Sun-Times* and the two suburban dailies disagreed. Their endorsements argued Stern would best represent the district. The papers also offered readers choices in news coverage of the race. Each of the papers included the Parker-Stern race in its regular coverage of state elections. This included editorial endorsements in all

four papers, and special election preview stories on candidate backgrounds and policy positions in the two suburban dailies. In addition, each paper ran at least one campaign story specifically on the Parker-Stern race. The *Daily Herald* ran several such stories. The 29th District race seems to provide strong evidence of the benefits of a competitive media marketplace. The four newspapers, each independently owned, provided a diversity of opinions about the candidates and offered a number of perspectives on the race. In all, some 200 paragraphs of news coverage, editorials, columns and letters to the editor were published on the race. Clearly democracy benefited from this market situation.

And we would expect it to benefit the 26th Senate District as well. Located next to the 29th, the 26th District was an even more competitive media marketplace. The same four newspapers circulated in the district, but their market share in 1994 was more evenly distributed than in the 29th District.¹ Like the 29th District, the race pitted an incumbent, Republican William Peterson, against a first-time office seeker, Democrat Nancy Sass Scotillo. The district's demographic make-up was nearly identical to the 29th.

¹ This study uses a measure of market concentration known as the Hirschman-Herfindahl Index (HHI) as its measure of marketplace competition. The HHI ranges from 0, which represents perfect competition, to 10,000, which represents monopoly. Based on newspaper circulation, the HHI for the 26th Senate District was 3,328 compared to an index of 6,798 for the 29th. The mathematical notation for the HHI appears in the Methodological Appendix.

But the Peterson-Scotillo contest received only a quarter of the coverage of the Parker-Stern race. The only attention the race received in the *Tribune* and *Sun-Times* was a one-paragraph editorial endorsement, which these papers published for all contested state legislative races. The *Daily Herald* and *News-Sun* included the race as part of regular election preview stories, but ran no additional stories specifically on the race as they did for the 29th District. Voters also were offered less diversity of opinion about the race. The *Tribune*, *Sun-Times* and *News-Sun* all endorsed Peterson. The *Daily Herald* offered no endorsement.

The difference in coverage is surprising because it violates one of the primary assumptions about the relationship between economics and information. The assumption is that marketplace competition is positively related to the amount and quality of information available to the public. It is widely accepted in public policy, journalistic and scholarly circles that competing news organizations work harder to "get the story;" produce a higher quality news product; and, in general, better serve their audiences. It also is thought that the more independent editorial voices a market possesses, the greater the diversity of information and opinion about matters of public importance. Thus, it is assumed that as competition in a media market increases, so too does the quality of information produced by competing firms. According to this assumption, then, we would have expected more comprehensive

coverage of the Peterson-Scotillo contest since the level of market competition in the 26th Senate District was higher than that in the 29th.

The assumption that market competition in media industries is positively related to the quality of political information is the basis for public policy such as the Newspaper Preservation Act, which attempts to maintain competing newspapers in markets where one paper dominates. The notion also is present in the Telecommunications Reform Act of 1996, federal legislation that attempts to promote increased competition in media industries to benefit both consumers and citizens. And it is a cornerstone of political communication research. In one of the most influential books on the subject, media scholar Ben Bagdikian concludes that the key to preserving a democratic press is "the restoration of genuine competition and diversity" (Bagdikian, 1992).

The assumption gains credibility in that so many news professionals believe it to be true as well. According to a survey of newspaper reporters and editors, more than 80 percent agree that competing dailies provide a greater diversity of news and editorial opinion than monopoly papers. And more than 60 percent believe competing dailies provide higher quality local news than monopolies (Coulson & Lacy, 1996).

But the assumed relationship between market competition and political information is supported by surprisingly little empirical evidence. This study puts the assumption to the test. In a comprehensive content and market analysis of newspaper coverage of electoral politics

this key assumption of media scholars, policy makers and news professionals is found to be tenuous at best. While market competition is found to have a moderate impact on some aspects of political news content, its influence is overshadowed by other factors. These other factors suggest that broad economic pressures and journalistic practice may have more to do with the production of political information than the degree of competition among news firms. The findings have implications for both political communications research and public policy geared toward improving the quality of political news and information.

The assumption that market competition and quality political information coexist is rooted in a perceived congruence between the mechanisms for achieving First Amendment goals on the one hand, and those for achieving capitalist economic goals, on the other. According to First Amendment thought, the kind of information that is necessary for a democracy to function is twofold. First, citizens should have access to information about matters of public importance. This is generally thought to include information about the workings of government, its officials and candidates for public office, and public policy issues, although what exactly constitutes a matter of public importance is always debatable. Second, citizens should have access to a diversity of opinions about these matters. The best way to achieve this information environment, the assumption holds, is to have a large number of

independent voices providing information and commentary. It is assumed that the more voices speaking about matters of public importance the more information the public will have. It also is assumed that a multitude of voices ensures a *diversity* of opinion and prevents monopolization of information by any one or a few powerful sources.

This First Amendment model of a democratic media is almost identical to the model of an ideal marketplace in capitalist economics. In such a marketplace, competition among a large number of independent firms is thought to satisfy market demand at the lowest possible price. Such a market is described in economic parlance as operating "efficiently."

The perceived congruence between these two models is most clearly articulated in the "marketplace of ideas" metaphor. This metaphor, which represents an ideal of democratic communication, can be traced to political philosophers like John Milton and John Stuart Mill. They argued that the "free and open encounter" of ideas in a public forum is the foundation of democratic government.

The marketplace of ideas metaphor is pervasive and influential because it is simple, straightforward and flows from a western faith in the power of competitive markets. But because of its widespread acceptance, surprisingly little empirical research has been conducted to test its validity. Such research is needed because there are reasonable counter arguments to the marketplace of ideas model.

For instance, according to economic theory, consumer demand is a primary factor affecting product attributes. A competitive marketplace is attractive because it is thought to force firms to provide what consumers want. Therefore, we can expect a competitive media marketplace to produce quality public affairs information only if consumers demand it. Given that the public repeatedly demonstrates low levels of knowledge and interest in public affairs, the presence of such demand is questionable. If marketplace demand is high for sensational news about celebrities, scandal and violent crime we can expect a competitive marketplace to provide just that. Conversely, if demand for information about public policy is low, the free market model will not support its provision.

Others have argued that news organizations produce similar products regardless of market structure (McCombs, 1988). Mainstream news organizations employ similar definitions of newsworthiness as well as similar information gathering practices. These practices are standard in the field and vary little across market situations. For instance, conflict, controversy and oddity are important determinants of news that are taught in journalism schools across the country and used daily in news rooms everywhere. These conventions are industry-wide tools of the trade.

Indeed, in the two political contests discussed above, local journalists clearly believed the Parker-Stern race had a higher news

value than the Peterson-Scotillo contest. This was the case despite the fact that Peterson's 26th Senate District was a more competitive media market than Stern's 29th District. The higher news value of the Parker-Stern contest can be attributed to a number of other factors, starting with the competitiveness of the race. It was one of the most competitive in the area that year. Parker won with little more than 53 percent of the vote. It also was one of the most expensive legislative races in the state's history. The candidates spent a combined total of more than \$1.3 million on the general election campaign. A large amount of this was spent on television advertising, rare in state legislative races. The competitiveness of the race made it exciting to readers and the spending and television advertising made the race unique among state legislative contests. Finally, the race was controversial, with the Stern campaign linking Parker to a leading Illinois Republican who had made controversial comments about race during his own campaign.

The Peterson-Scotillo race, on the other hand, was lopsided and uninteresting from a journalistic standpoint. Peterson defeated the political newcomer with almost 73 percent of the vote. The race had no major controversies. No one was sued, indicted or guilty of an embarrassing gaffe or incisive statement. And the candidates spent a combined total of about \$61,000, less than 5 percent of what was spent by Parker and Stern.

In these districts, the degree of market competition was less a factor than characteristics of the races themselves, and how those characteristics intersected with news gathering routines. The Peterson-Scotillo contest suggests that a highly competitive market does not guarantee comprehensive and diverse coverage.

The findings presented here are from an extensive study of election coverage by daily newspapers in the Chicago metropolitan area. All news stories, editorials, columns and letters to the editor concerning the 1994 general election published during the final month of the campaign were content analyzed. This resulted in almost 30,000 coded paragraphs of coverage from 279 separate editions of area newspapers. The Chicago area provides an excellent opportunity to study the effects of media competition. The area is home to nine daily newspapers, as well as numerous weeklies and periodicals. It also is a vibrant electronic media marketplace. Aside from affiliates of the four major television networks, the market includes a cable super station, one of the leading public television stations in the country, and a number of independent television stations.

This project focuses on the daily newspaper market for a number of reasons, both conceptual and practical. The newspaper industry is the least regulated of any media industry. Historically, its participants have been afforded greater First Amendment protection from government intervention in editorial decision-making than other media. Newspapers

therefore provide an ideal case to test assumptions about the free market and the free press. Also, newspapers tend to cover politics and public affairs more comprehensively than electronic media. Finally, comprehensive content data from newspapers are more accessible and easily acquired than broadcast media content.

The Chicago newspaper market also provides an opportunity to take into account recent developments in newspaper market structure. Most studies of newspaper market structure consider only direct newspaper competition; that is, competition among papers associated with the same central city. But over the last several decades in large urban markets, a vibrant suburban and satellite-city press has emerged. Many media economists have noted that in these markets, newspaper competition is more likely to occur between central city newspapers and the smaller, suburban papers that surround their circulation zones. But few empirical studies on inter-city competition have been conducted, and none have examined its impact on coverage of politics. The Chicago market offers the opportunity to study both direct and inter-city competition.

One potential problem with any study that focuses solely on newspaper competition is its failure to account for the influence of other media. The Chicago area is home to numerous radio and television outlets and these media no doubt exert competitive pressures on the area's print media. This study "controls" for the impact of other media by focusing on a single, urban market. The presence of broadcast and cable

television and radio is constant across the Chicago area. That is, with few exceptions, the same broadcast, cable and radio stations can be seen and heard on the city's north side as can be seen and heard on the south side. Therefore, the competitive influence of these media will not vary from one area of the city to the next. By examining newspaper competition in a single urban market this study effectively controls for the impact of cross-media competition.

While this study's focus is on newspapers, the findings presented here should raise questions about the relationship between economics and political information in all media industries. Modern media firms, whether they are newspapers, broadcasters or cable companies share similarities in the basic economics of their industries in at least three ways. First, many media markets are characterized by economies of scale. Essentially, economies of scale are realized when unit costs fall as a firm's production increases. When economies of scale are large relative to the size of the market, one firm can produce the industry's entire output at a lower unit cost than two or more firms (Henderson, 1993). In other words, there is a tendency toward monopoly.

Second, all media firms are in the business of producing audiences, which they sell to advertisers. The primary product of media companies is not the program or publication. It is the audience they attract with that program or publication. Advertisers pay media companies for access to consumers. Therefore, media industries are driven by advertising

revenue. Most media companies make very little "selling" the programs or publications they make. Broadcasters offer their fare to audiences for free. The cost of a daily newspaper is minimal compared to what it takes to produce each issue. Instead, advertising revenue is what drives media industries. Thus, most media firms attempt to attract the large audiences to sell to advertisers.²

Finally, many argue that all information products have substantial "public good" characteristics. National defense is an often-cited example of a public good. If left to the free market, few individual consumers would elect to pay for national defense themselves. Knowing that they will receive the benefits of national defense whether they pay or not, many would elect to take a "free ride" on those who do pay. The likely outcome is that the market would fail to produce an adequate level of national defense.

News and information about public affairs has similar characteristics. Information consumed by one person still exists to be consumed by another. And the benefits of the dissemination of public affairs information - a more educated citizenship that makes wiser governing decisions - accrue to every individual regardless of their participation, causing a free rider problem.

² Some media, such as niche magazines and, increasingly, cable television, specialize in delivering small but highly desirable audience segments to advertisers rather than mass audiences. However, the mainstream news media that are of particular interest to this study are still primarily mass advertising vehicles.

The economic similarities of media industries suggest that the findings and conclusions of this study may also hold true for other media. Also, the key assumption being tested here is made not just for print, but for all media. Thus, the fact that this study finds the assumption suspect for the newspaper industry begs the question of whether it also is suspect for other media industries.

This study focuses on coverage of electoral politics for practical and conceptual reasons. First, the relevance of much media content to discussions of democracy is debatable. One could argue that everything from crime news, to sports, to comic strips contains politically relevant material to some degree or another. But the relevance of such content would no doubt vary widely across readers and be difficult to measure in any reliable way. Therefore, this study focuses on a type of content which is explicitly political. Few would argue that news content about candidates for office, campaigns and policy issues is not relevant to self-government. A second, practical reason for choosing election coverage is that it occurs in a condensed period of time, and thus allows the collection of a large amount of data while avoiding the limitations of sampling.

This report is organized in the following way. Chapter 1 elaborates on the assumed relationship between free market economics and First Amendment principals such as "diversity of information." It then reviews the empirical research on newspaper competition and content.

Chapter 2 describes the 1994 general election campaign and the Chicago-area newspaper market. The chapter also includes findings that suggest widely-accepted conclusions about news coverage of national elections may not apply to local campaigns. Chapter 3 examines the relationship between newspaper market structure and patterns of coverage of electoral politics. And chapter 4 presents findings from several regression analyses of that show the independent impact of market competition on various measures of newspaper content controlling for a number of news gathering and political factors. Detailed methodological discussion as well intercoder reliability statistics for all variables included in the content analysis can be found in Appendix A. The coding instructions used for the content analysis can be found in Appendix B.

The findings suggest that the benefits assumed to flow from media market competition may be exaggerated. Thus, our faith in the ability of market competition to provide the kind of information necessary for democracy to flourish may be overly optimistic. This findings presented here at the very least should encourage political communications researchers, policy makers and journalists to delve further into the relationship between economics and information before basing public policy or journalistic practice on tenuous assumptions. At the most, this study should encourage the development of strategies other than encouraging marketplace competition for providing the kind of information necessary for democracy to flourish.

Chapter 1

Economics and Free Speech Ideals

The free-market model and its critics

In April 1995, the *Houston Post* was bought by Hearst Newspapers and promptly closed. Hearst also owned the *Houston Chronicle*, the *Post's* larger competitor. The closing ended 94 years of competition between the *Post* and the *Chronicle* and left Houston with the distinction of being the largest one-newspaper city in the country. Houston has joined a long list of cities supporting only one daily newspaper. Today, only 11 "two-newspaper" towns remain. The rest are monopoly markets (Coulson & Lacy, 1996).

Monopoly is feared in any industry. When one firm controls a market, consumers are thought to suffer because monopoly firms have fewer incentives to offer the lowest possible price. But in industries where the product is information, the concerns surrounding monopoly are even greater. Monopoly in information industries is seen not just as a threat to economic efficiency, but to the First Amendment as well. As Owen (1975) writes:

First, the monopolist can, in order to maximize profit, exclude certain ideas that would be produced in a competitive environment. . . . Second, the monopolist may exclude ideas he simply doesn't like even at a cost in terms of profit foregone. No

one else will be in a position to do so. Presumably, the monopolists may have views on political, social, or economic issues which they are willing to pay to advertise or to prevent others from advertising. The monopolist of the media is in a fortuitous position to exercise these whims, since there is by definition no reasonable price any one else can pay to stop him (p. 4).

In industries that have a natural tendency toward monopoly, government regulation often serves as a surrogate for competition. Regulators often set prices, enforce quality standards and in general, attempt to provide the pressures of competition in its absence. But the First Amendment complicates this solution in information industries. While interpretations of the First Amendment vary, there does seem to be general agreement that the right to free speech does at the very least include freedom from government restrictions on speech. Thus, a regulated monopoly press is thought not to be a viable solution. Giving government control over firms whose primary responsibility is to keep government in check is a bit like letting the fox guard the hen house. When government is involved as part of the solution to monopoly in media markets, its involvement is generally limited to encouraging competition.

The benefits of competitive media markets are summarized by Sunstein (1993). "Once we have broken up all interference with the

operation of the free market, and ensured against any vestige of monopoly, our free speech problems will be solved. This is how economists and many others normally think of commodities in a free enterprise system. Why should speech be any different" (p. 18)?

But Sunstein, and others, argue that a competitive, free market media system also does not achieve First Amendment goals. Some even contend it is a worse alternative than monopoly or government involvement in a national media system. These arguments, though varied, tend to hold in common the notion that the pressures exerted by a competitive marketplace drive media firms to produce, not the high quality, serious information required for self-government, but its very opposite.

Entman (1989) describes the free market as spawning a "viscous cycle of interdependence" between news organizations and audiences that drives down the level of quality of political information. He writes, ". . . to become sophisticated citizens, Americans would need high-quality, independent journalism; but news organizations, to stay in business while producing such journalism, would need an audience of sophisticated citizens" (p. 10). Based on the low levels of political knowledge and participation of the American public, Entman concludes that the necessary demand for such high-quality political information does not exist and cannot be produced by the free market model.

Sunstein elaborates, in much stronger language, on the quality of information produced by the free market media. He writes:

(It) would not be an overstatement to say that much of the free speech "market" now consists of scandals, sensationalized anecdotes, and gossip, often about famous movie stars and athletes; deals rarely with serious issues and then almost never in depth; usually offers conclusions without reasons; turns much political discussion into the equivalent of advertisements; treats most candidates and even political commitments as commodities to be "sold"; perpetuates a bland, watered-down version of conventional morality on most issues; often tends to avoid real criticisms of existing practice from any point of view; and reflects an accelerating "race to the bottom" in terms of the quality and quantity of attention that it requires (p. 23).

Proponents of the free-market model, however, can match critics like Sunstein anecdote for anecdote with examples of high quality public affairs information produced by the private sector. They point to respected newspapers such as the *New York Times*, *Wall Street Journal* and *Washington Post*. They also cite several serious news periodicals, such as the *Newsweek*, *U.S. News & World Report* and *Time*. And finally, they point to broadcast media news sources such as the Cable News Network and programs like CBS's *60 Minutes* and ABC's *Nightline*.

Central to this debate is disagreement over the types of information that best serve the "public interest." There is general agreement that citizens should be provided with information about matters of public

importance and have a diversity of information on these matters (Sunstein, 1993). But what exactly constitutes a matter of public importance is debatable. Proponents of a free market media have a simple and straightforward answer to this question. Determining what information is in the public's interest, they contend, is best left up to the individual members of that public, exercising their free choice among competing alternatives. The public interest, then, is simply the aggregation of these individual choices. As Fowler and Brenner (1982) write, "The public's interest . . . defines the public interest" (p. 4).

But others argue that what's in the public interest should be decided through public, rather than marketplace, mechanisms. They contend that citizens acting as members of a public make different decisions than might be made by consumers in a marketplace. As Bollinger (1991) argues, ". . . it is hardly unimaginable that we -- the same 'we' that issue our marketplace votes for what we get -- might be very concerned about how we are behaving, about what choices we are making . . . And we may accordingly, decide together, through public regulation, that we would like, to some extent, to alter or modify the demands we find ourselves making in that free market context." Bollinger rejects claims that this model is paternalistic, saying that in a democracy citizens impose regulations on themselves which is not the same as a governing elite restricting the behavior of those they lord over.

Free market proponents and their adversaries also disagree over what is meant by “diversity.” The First Amendment notion of diversity is rooted in the Madisonian model of deliberative democracy (Sunstein, 1993). This model identifies deliberation over matters of public importance as crucial to self-government. While there are many models of democracy, current First Amendment thought has been most heavily influenced by the Madisonian model (Tedford, 1985). And most analyses of economics and freedom of speech assume a model of democracy in which public deliberation plays a large role.

Deliberative theories of democracy consider legitimate democratic outcomes as those that derive from public debate and discussion of issues. Such deliberation is crucial, it is argued, for fostering a sense of understanding among members of a democratic community. Put simply, in order for members of a democratic community to consider other people in their political decisions, they have to interact and communicate with those people. Thus, the deliberative process is seen as facilitating both social cohesion and political outcomes that benefit the public interest. According to Barber (1984), a truly democratic community only can exist through “public deliberation,” not through “atomic individuals creating social bonds ex nihilo.”

Democratic theorists argue that a diversity of information is a necessary ingredient for such a deliberative system to work. But exactly how diversity is defined is a point of contention. Entman & Wildman

(1992) identify three types of diversity - product diversity, idea diversity and access diversity - used in the literature.

Product diversity is "the range of variation in product attributes that are available . . . in a particular product or service." This definition is often invoked in discussions of media economics as an ingredient in an efficient market. It can refer to the range of different media products available to consumers, such as genres of television programs, sections of a newspaper, or the topic areas of niche magazines. Idea diversity, on the other hand, is the range of "distinct thoughts, analyses, criticisms and the like that are available on issues of social and political importance."

For questions of democracy, product diversity without idea diversity is meaningless. A market may provide a wide range of media products which is beneficial for consumers. But if these products do not provide a diversity of ideas relevant to self government then the First Amendment ideal of diversity is not achieved.

Finally, access diversity exists when access to the media is afforded in a "non-prejudicial" manner. That is, diversity is achieved when there are no biases in the way the means of communications are granted to different speakers.

Product and idea diversity deal with the actual *content* of information. Access diversity has little to do with actual content, but rather, deals with the *sources* of information. Free-market proponents tend to argue that access diversity leads to content diversity. And such a

diversity of sources is approximated by a free and competitive marketplace. The marketplace model has the added bonus of ensuring public control over the range of ideas, since information providers are ultimately beholden to the consumers of the ideas they produce.

But those who argue against the free-market system say that competing sources do not guarantee the production of competing ideas. Firms may duplicate rather than diversify the ideas they produce. And since marketplace economics reward only those ideas that attract large audiences, unpopular ideas will tend to be driven from the market. And unpopular ideas are the ones most in need of First Amendment protection.

Thus, central to the debate over the free market media is a disagreement over the relationship between the diversity of information sources and the diversity of information they produce. Much light could be shed on this central issue by answering a single question: Does competition among media firms enhance the diversity of information about matters of public importance? This is an empirical question. But so far research has left it unanswered. This may in part be due to a failure to operationalize the concept of diversity. As will be discussed below, few researchers have attempted to operationalize diversity of information in a way that can be measured in communications texts, such as newspaper articles.

Diversity as a concept perhaps has been best measured in the sociological literature. There, diversity is operationalized as a function of range and equality. In fact, an “index of diversity” for categorical data can be found in most basic social science statistics textbooks (Bohmstedt and Knoke, 1988). This common index produces a continuous statistic that increases as the number of categories, or range, of the variable and equality of distribution of cases across those categories increases. The measure has been used to gauge the diversity of ethnicity, wealth and public opinion and can be applied to information. More will be said about this measure later.

As a review of the literature shows, existing research also suffers from a failure to operationalize market competition in a way that takes into account recent developments in media market structure. Thus, while a large number of studies conducted over almost half a century have attempted to determine the effect of market competition on media content, no clear conclusion has emerged.

The empirical research

In 1948, Stanley K. Bigman published what may be the first empirical study on the relationship between media market concentration and content. Bigman compared the content of competing newspapers in a single market and found that they tended to duplicate information and opinion rather than offer competing views. Bigman concluded that more

"papers do not necessarily mean mouthpieces for segments of the population heretofore unrepresented . . . The individual with sufficient capital to establish a new newspaper will, in all likelihood, merely offer one more voice to that part of the population already well represented in the press" (p. 131).

Since Bigman's study, many more researchers have investigated the relationship between competition and content, with similar findings. Willoughby (1955) compared content in two small competing daily newspapers and found few content differences in their advertisements or general editorial content. Willoughby was particularly interested to find no significant differences in the papers' coverage of political news, concluding that they presented "negligible competition of ideas and . . . few opposing viewpoints for . . . readers to choose from" (p. 204).

Borstel (1956) examined editorial page commentary in 20 small daily newspapers and found no significant differences that could be attributed to competition. Nixon and Jones (1956) studied 97 dailies and found no significant differences by competitive situation across a broad range of content categories including politics, economics, crime, entertainment, sports and human interest news.

The findings of these early studies have been supported by a number of more recent investigations. Like Bigman, Weaver and Mullins (1975) found little difference between papers in competitive situations, suggesting that competing papers duplicate rather than diversify content.

Hicks and Featherston (1978) compared content in cities with morning and afternoon dailies. In one city, the morning and afternoon papers had the same owner. In the other two cities, the papers were independently owned. The researchers found no significant differences in the degree of content duplication in the papers.

Using data from 91 newspapers, Entman (1989) found that “competition fails to exert much influence” on the diversity of opinion, seriousness, fairness and responsiveness of news coverage (p. 96). And McCombs (1988) examined two newspapers under both competitive and monopoly situations and found few “significant content differences” (p. 136). McCombs concluded that competing newspapers differ little from monopoly papers because news organizations share identical “professional values, beliefs, and practices” regardless of market structure (p. 136). Therefore, the news product will look pretty much the same across competitive and monopoly situations.

Bursterna et al (1991) take a somewhat different tack in measuring the quality of the newspaper product. Rather than study content directly, the authors examined the effect of competition on newspaper's library resources. They argued that newspaper library resources, such as professional staff, book and periodical collections and database subscriptions, directly influence a paper's "content performance" (p. 732). They found that monopoly newspapers had a greater investment in library resources than competitive newspapers.

A few studies do find positive effects of newspaper competition. Many of these focus on "inputs" into the news product or other indirect measures of content quality. Quality is inferred from measures such as investment in editorial staff, the number of wire services to which a paper subscribes, and the amount of space devoted to general editorial content, often referred to as the "news hole." Researchers have found competition results in more space for local news, and more pictures and opinion columns (Rarick & Hartman, 1966). Newspapers facing competition also were found to spend more on staff reporters, have a larger news hole and devote more space to color and photographs (Litman & Bridges, 1986). And a number of studies have found a positive relationship between newspaper competition and the number of wire service subscriptions (Lacy, 1990; Litman & Bridges, 1986; Kears, 1958). However, Donohue and Glasser (1978) found that increased use of wire service copy was associated with a decline in competition.

White and Andsager (1990) used the Pulitzer Prize as their measure of editorial quality. The authors examined whether newspapers in competitive markets are more likely to win the prestigious industry award than monopoly papers. They found that this was indeed the case for all categories in which the prize is awarded except for local news. Their study did not, however, control for circulation size. Most papers facing direct competition also are the nation's largest. Therefore, it is likely that part or all of the variance in Pulitzer Prize winning can be

explained by newspaper size, rather than competition. This is plausible since large newspapers tend to have the resources and staff to devote to award-winning journalism.

Finally, a few studies have taken a sociological approach to the subject. Chaffee and Wilson (1977) and Lasorsa (1991) found that communities with competing newspapers tended to have slightly more public opinion diversity than communities served by a single paper. Newspaper competition also was found to exert an influence on the competitiveness of election campaigns (Vermeer, 1995). But these studies fail to address the issue of causality raised by economic theory. Such theory holds that market demand influences product attributes, rather than the other way around. Thus, content diversity would be a product of, rather than a cause of, diversity in the marketplace. Indeed, Donohue, Olien and Tichenor (1985) found that increasing pluralism or diversity in society was associated with an increase in the amount of conflict reporting in Minnesota newspapers.

The preponderance of studies suggest that competition has little or no direct effect on content. This has prompted many researchers to conclude, as did McCombs (1988) whose study is mentioned above, that marketplace competition has little direct impact on news production. Rather, they contend, journalistic newsgathering norms and ideological constraints, which exist across market situations, have more influence over content.

Scholars who argue against the “direct market influence” hypothesis of news content make the following case. Economic theory of news production suggests that news organizations provide content that meets the demands of the markets in which they exist. These markets are the advertising market, in which the news firm sells an audience of readers or viewers to advertisers, and the information market, in which the firm provides news, entertainment, and advertising to readers and viewers. The firm’s competitive goal in both markets is served when the news organization attracts the largest possible audience. Therefore, it is reasonable to assume that the production of news would be based on audience demand; that is, whatever audience members want, news organizations have an incentive to provide.

But much of the sociological research on news production conflicts with this model. For instance, Gans (1979) found that most journalists assume that audience demands and “quality” journalism are not always complementary. Though they realize that they must package news in a way to attract readers, Gans reported that he “was surprised to find . . . that (journalists) had little knowledge about the actual audience and rejected feedback from it.” In fact, many journalists consider such responsiveness to consumers as pandering, and instead choose to take a pedagogical approach to their trade, believing it is their job to “tell it like it is” regardless of public approval. This attitude often is the rationale used by news organizations in running particularly disturbing

stories or photographs. This suggests an allegiance to journalistic norms and values that may at times conflict with economic pressures to satisfy market demand.

Ideology is another factor that has been argued to influence news content. In one of the earliest studies of the production of news, Breed (1955) examined how the "policy" of newspaper publishers is maintained despite the fact that it often conflicts with journalistic norms, and the personal feelings of staffers. Breed's analysis is based on the assumption that "every newspaper has a policy, admitted or not. One paper's policy may be pro-Republican, cool to labor, antagonistic to the school board, etc." Policy, which is set by a newspaper's owners, is "manifested in 'slanting' " the news. Journalists slant news by "omission, differential selection and preferential placement, such as 'featuring' a pro-policy item, 'burying' an anti-policy story in an inside page."

Breed found that publishers enforce policy indirectly through subtle suggestions and infrequent mentions. Staffers learn policy from a type of "socialization" process, in which they become part of the "in-group" in the newsroom. For most staffers, the desire to please superiors, move up through the organization, and avoid conflict that would disrupt the "pleasantness" of their work environment are sufficient to prevent policy violations. When breaches of policy do occur, they are infrequent, and usually only mildly reprimanded. Breaching policy allows staffers to

maintain a feeling of autonomy despite routinely abiding by the ideological rules set by the publisher.

But most news professionals and students of the media disagree with the explicitness of Breed's analysis. Chicago Tribune Publisher Jack Fuller has argued a paper's ideology is less a product of one individual, such as the publisher, but rather, a characteristic of the paper itself that is above and beyond the influence of any single individual. He refers to this characteristic not as a paper's "ideology" but rather its "personality" or "identity" (1996). According to Fuller, newspapers have an "identity before (individual reporters and editors) arrived on the job, and it will have one after they leave. They are there to build the personality of an institution that has a history different from theirs and a position in the community greater than any individual's."

Others contend that partisan bias is not a reliable explanation of political news content (Patterson, 1993). Journalists and news executives are acutely aware of charges of ideological bias. This can result in an interesting reverse effect. Timothy Crouse, in his book on press coverage of the 1972 presidential campaign, argues that, while most journalists actually voted for George McGovern, they may have been more critical of his campaign than of his Republican opponent, Richard Nixon. Crouse explains:

If a reporter has been trained in the traditional, 'objective' school of journalism, this ideological and social closeness to the

candidate and staff makes him feel guilty; he begins to compensate; the more he likes and agrees with the candidate personally, the harder he judges him professionally. Like a coach sizing up his own son in spring tryouts, the reporter becomes doubly severe.

This is not to say the press is not "biased." Rather, the press is biased in non-partisan ways. These biases tend to be the result of production norms and practices of journalism, that are the result of economic constraints on news media organizations as well as journalists' own codes of conduct.

One of these codes of conduct is the very norm that journalists employ to guard against partisan bias--the norm of objectivity. While most journalists have rejected the "window on the world" description of news production as impossible, they do tend to keep explicit statements of opinion, judgment and suggestion out of their stories. This serves several purposes. First, it lends legitimacy to news organizations by associating their product with "truth." Second, as many press historians have argued, newspapers began printing objective rather than partisan content to attract a larger, general audience.

But perhaps most important for a discussion of campaign coverage is the reliance on sources that the objectivity norm promotes. Since journalists seldom themselves make conclusions or evaluative statements, they rely on sources to provide these elements of the news

text. This, however, gives important sources like major-party candidates a disproportionate influence over news content.

The list of credible sources of information in electoral politics tends to be consistent across news organizations. The candidates themselves and those with the authority to speak on behalf of the campaign top the list. Since competing news organizations most likely receive information from the same sources, we can expect this news gathering routine to produce duplication of information, rather than diversity across news organizations.

Tuchman (1978) describes how journalists routinize their work by casting a "news-net" over "civic, state, national, and (sometimes) international sites" where the sources who "make news" reside. By defining news as happening at these locations and coming from these sources, journalists are able to anticipate and routinize what otherwise would be an impossible task: responding on a daily basis to "idiosyncratic phenomena."

Tuchman's analysis illustrates the degree to which the production cycle influences news coverage of campaigns. The reliance on sources discussed above is driven in part by journalists need to routinize news gathering. By following major-party candidates on a daily basis, reporters are assured of a new story to report each day.

The characteristics of news production discussed above may offset the influence of economic competition on the diversity and quality of

political news. But some studies of the press have suggested that competition among journalists does have an effect. However, these studies have found that the effect is the opposite of that expected by current economic and First Amendment theory. Instead of competition resulting in diversity, it produces duplication.

Competition between journalists and news organizations oftentimes is intense. Journalists are driven by a desire to “get the story first.” Though sometimes motivated by economic pressures, competition also is rooted in journalists’ own sense of professional pride. Indeed, even journalists representing news organizations that are not in direct competition for an audience compete to be the first to “break a story.”

Most journalists assume that professional competitiveness is a positive force, encouraging journalists to seek out interesting stories and report them to the public quickly. But competition sometimes comes into conflict with other goals and encourages journalists and news organizations to make mistakes.

“Prediction stories” and “calling races” before polling booths have closed is a journalistic practice motivated by competition that has been shown to have adverse effects on the electoral process. Citizens who have yet to vote and hear that a candidate is leading or has already won their district or state might be discouraged from voting. Still, some reporters, like R.W. Apple, now Washington bureau chief of the *New York Times*, “liked to write prediction stories just to be the first reporter to

say a candidate was going to win” (Crouse, 1973). And, according to Rosenstiel (1994), competitive pressure almost caused ABC News to begin “calling states” on election night in the 1992 presidential election despite a vow to Congress not to do so.

Interestingly, a companion to competition among journalists is complacency. Competition is in part the result of the close proximity in which journalists for rival news organizations work. Especially in campaign coverage, many news organizations send reporters to the same events. This “pack journalism” can create as much pressure to blend in with the crowd as it can to spur a desire to break stories and stand out.

As Crouse (1972) points out, news executives and editors question reporters who file stories that are dramatically different than what the rest of the “pack” reports. Oftentimes, editors wait to approve their reporters’ stories until after they see what the wire services report on the event. As is described by one source for Crouse, “. . . eventually a very subtle kind of thing takes over and the reporter says to himself, ‘All I gotta do to satisfy my editor and publisher is just get what the other guys are getting, so why should I bust my ass?’” Competition and complacency, though seemingly different phenomena, both originate from the relationships of journalists in the field. They represent ways in which individuals situated within large organizations cope with the pressures of their jobs. And they can have profound influences on the nature of political news content.

But the inconclusiveness of the findings from empirical studies of competition and news content, and the influence of ideology and journalistic practice on news production do not mean that economics has no influence on political news content. Most likely, news production is a process involving both journalistic routines and economic pressures. Untangling the relationship between these two sets of causal factors should be a central goal of political communication research. This study attempts to do just that by overcoming the limitations of the previous empirical research. These limitations are twofold. First, few studies measure content in a way that is directly relevant to concerns about information and democracy. Most studies examining market competition and content focus on broad content categories. Few investigate public affairs news or editorial comment with any detail.

Second, few studies operationalize market competition in a way that accurately reflects current media market structure. Much of the research that has been done on competition and content compares differences between newspapers that are engaged in direct competition and those that are not. Direct competition refers to “face-to-face competition of newspapers of general appeal located in and identified with a single city” (Rosse, 1980). But most media scholars agree that the bulk of competition between newspaper firms now occurs between papers not located in the same city nor occupying similar circulation “layers.”

The decline in direct newspaper competition has been well-documented (Lacy & Simon, 1993; Bagdikian, 1992; Rosse, 1980; Rosse & Dertouzos, 1979). But coinciding with this decline has been an increase in the number of suburban and satellite city dailies which are taking advantage of population shifts from center cities to outlying areas. This trend has received less scholarly attention. In 1980, Rosse concluded that since these satellite city and suburban markets tend to be small, these papers seldom encounter direct competition. However, the increasing ability of large papers to target specific groups of readers through zoning has enabled them to compete in these smaller markets.

Therefore, despite the large number of empirical studies examining the relationship between market competition and content, we still know very little. Yet answering this question is a necessary first step in developing a media system that best supports self-government. This study attempts to overcome limitations of previous studies by focusing on one media market and developing detailed measures of content and market competition.

The next chapter describes the context for this analysis -- the Chicago metropolitan newspaper market during the general election campaign of 1994. The Chicago market provides a variety of competitive situations and the 1994 campaign featured a wide range of state, local and national races. The overview of the newspaper market and coverage of the campaign also suggests that another key conclusion of news production -

- that coverage of the political horse race dominates election coverage --
may not apply to all levels of politics.

Chapter 2

The Market and the Campaign of 1994

The daily newspaper market in Chicago

The Chicago metropolitan area is home to nine daily newspapers. These include the *Chicago Tribune* and *Sun-Times*, two nationally respected newspapers. The *Tribune*, Chicago's leading daily and one of the largest papers in the country, circulates throughout the metropolitan area, and has particularly strong penetration in Chicago's affluent northern suburbs. Its editorial page is regarded as politically conservative. The *Tribune* is owned by the Tribune Company, a large, diversified media company that also owns television and radio stations, and other newspapers.

The *Sun-Times*, circulates primarily in the city of Chicago. Its editorial leanings tend toward liberal and its readership is more blue collar and urban than the *Tribune*. The paper also differs from the *Tribune* in its format. It is a tabloid, rather than broadsheet publication which is popular among commuters because it is easy to read on crowded trains and buses. Ownership of the *Sun-Times* has gone through a number changes in recent years. It was owned by the Field family until 1984 when it was bought by media mogul Rupert Murdoch. In 1986, Murdoch sold the *Sun-Times* to a group of investors that formed the Sun-Times Company. The company formed the Sun-Times Newspaper

Network three years later which included, in addition to the *Sun-Times*, Pioneer Press and Star Publications, both chains of community weekly newspapers. In 1994, the Sun-Times company again changed hands. This time the buyer was American Publishing Company, a subsidiary of Hollinger, Inc., which owns newspapers around the world. In 1995, Hollinger purchased another Chicago daily newspaper, the *Daily Southtown*, from Pulitzer Community Newspapers, Inc.

The third largest paper in the Chicago area as well as Illinois is the Arlington Heights *Daily Herald*. Arlington Heights is a fast-growing satellite city in the Chicago area's western suburbs. The *Daily Herald*, which has been owned by the Paddock family since it was founded in 1872, is one of the fastest growing papers in the country. The paper circulates throughout Chicago's west and northwest suburbs. Part of the *Daily Herald's* success is from its ability to provide coverage of local news to various suburbs through its numerous "zoned" editions. Zoning, which has become common practice for most major newspapers, allows news and advertising to be tailored to local markets within a paper's larger circulation area. Thus, *Daily Herald* subscribers in one suburb receive a slightly different edition of the paper than those living in another suburb. In 1994, the *Daily Herald* published 20 zoned editions, more than any other Chicago-area paper, including the *Tribune*, which published seven zoned editions, and the *Sun-Times*, which published six.

In addition to the *Daily Herald*, five other daily newspapers circulate in Chicago's suburbs. Four of these papers--the *Beacon-News*, *Herald-News*, *Courier-News*, and *News-Sun*--are owned by The Copley Press Inc. The Copley company owns 10 daily and 32 weekly papers across the country. Aside from its four Chicago area dailies, Copley owns the *State Journal Register*, which circulates in the Illinois' state capitol. The final suburban paper in the area is the *Northwest Herald*, which is owned by the BF Shaw Printing Company and circulates in the Chicago's far northwest suburbs.

Figure 1 on the next page shows the 1994 average daily circulation and approximate circulation zones of these newspapers based on Audit Bureau of Circulation data. The circulation zones represent the "newspaper designated market" for each paper, which is the market area that publishers define as being served by their paper. The *Tribune* and *Sun-Times* define the entire area covered by the map as their newspaper designated market.

As the map suggests, the Chicago-area newspaper market is a competitive one, with circulation zones overlapping in many areas. However, it is important to note that the degree of competition varies across the metropolitan area. Circulation across newspaper designated markets is not evenly distributed. For instance, while the *Tribune* claims the entire area as its designated market, the paper's actual penetration is much greater in the northern suburbs of Chicago than it is in the south.

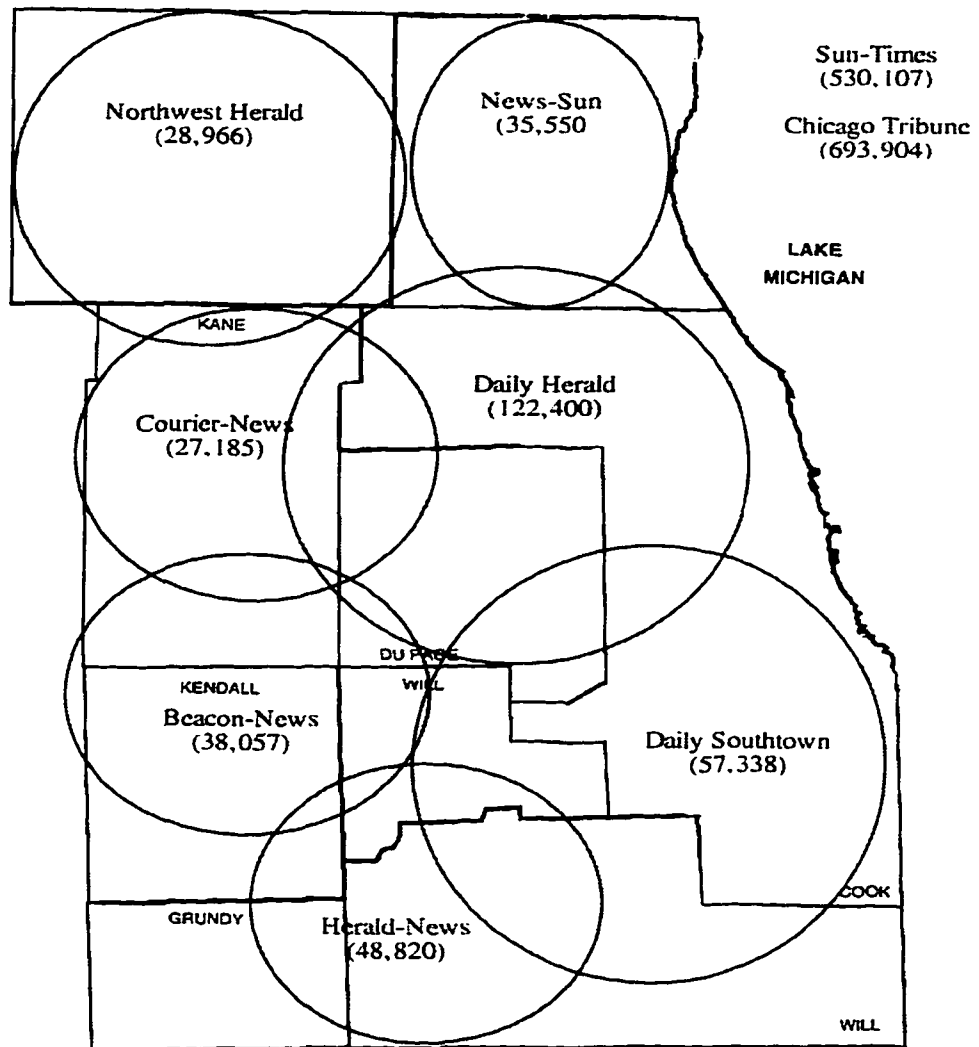


Figure 1: Approximate 1994 Chicago area newspaper designated markets and circulation based on Audit Bureau of Circulation data.

And conversely, *Sun-Times* penetration is much stronger in the city of Chicago than in suburban areas. Chicago's fast-growing and relatively affluent north and northwest suburbs are the most competitive in the area. It is in these suburbs that the area's three largest papers, the *Tribune*, *Sun-Times* and *Daily Herald*, compete. These suburbs also are served by at least one and in some cases two smaller, suburban dailies.

This is the market environment in which the Chicago press set out to cover the general election of 1994. The fall campaign featured races for all Illinois statewide offices, including governor, 14 congressional races, and numerous state legislative elections and several state and local ballot initiatives. A content analysis of all articles, columns, editorials and letters to the editor published in each paper during the final month of the campaign revealed the amount of material published on various levels of politics.³ Coverage of all local, state and national races and ballot

³ The paragraph was selected as the unit of analysis for a number of reasons. First, paragraphs allow a more detailed examination of coverage than entire stories. Many election stories discuss several different elections. Since paragraphs are a basic unit of narrative, they provide a clean breaking point between discussion of different races. Also, much of the data collected here came from library microfilm machines in which pages had been reduced when photographed. This made using the column-inch as the unit of analysis difficult. Counting paragraphs would be problematic if significant stylistic differences existed between newspapers in the study. However, a sample of paragraphs from each newspaper included in this analysis revealed word-per-paragraph averages ranging from 23-35. In narrative terms, this represents one or two sentences on average, which is not seen as a significant difference in paragraph length.

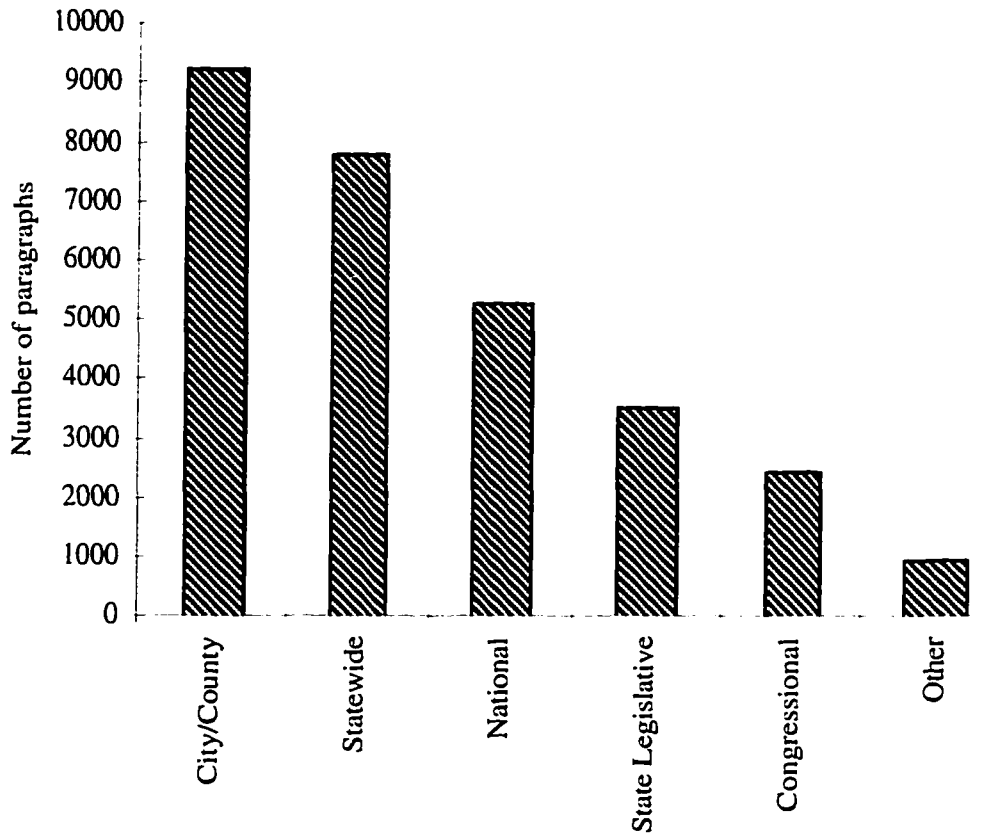


Figure 2: Amount of coverage published by Chicago-area daily newspapers on various types of electoral politics in the 1994 general election.

initiatives was included in the analysis. The detailed coding instructions for this and all content analyses appear in Appendix B.

As Figure 2 shows, city and county elections--which included local ballot initiatives and races for city and county offices--received the most coverage. Two ballot initiatives accounted for a large proportion of this coverage. In one suburban county, voters decided whether to abolish

township government. Opponents of townships, who fought to place the initiative before voters, argued that the small municipalities were an unnecessary layer of government and a burden to taxpayers. But on election day, most voters agreed with supporters that township services were worth it. The township abolition referendum lost by a 3-to-1 margin. The other heavily covered ballot initiative involved taxation. In Cook County, which includes the city of Chicago, voters overwhelmingly voiced support for caps on property tax increases in an advisory referendum.

Second to local election coverage was coverage of statewide politics. Most of this coverage was of the Illinois gubernatorial campaign. The race received more coverage than any other individual race for a government office in 1994. The incumbent governor, Republican Jim Edgar, was challenged by Dawn Clark Netsch, the state comptroller. The campaign's central issue was state finances, with Netsch promising voters "straight talk" about taxation. The Netsch economic plan centered on raising the state income tax while cutting property taxes.

Perhaps the most compelling image of the campaign appeared in a campaign television advertisement featuring the grandmotherly Netsch shooting pool with surprising skill and promising to be a "straight shooter" about state fiscal policy. Netsch carried a pool cue to several

public appearances following the ad's airing. But in the end,. Edgar, who came into the race with high voter approval, beat Netsch by a record margin. The Edgar campaign was able to fend off Netsch's charges of mismanagement and spent \$750,000 on television ads attacking the democrat's opposition to the death penalty and her plan to raise income taxes.

National campaigns followed local and statewide elections in amount of coverage. National stories included those on federal, state and local elections outside Illinois, and Illinois congressional races outside the Chicago metropolitan area. Stories about national political trends, such as partisan control of Congress, also were coded as national coverage. Much of the national coverage was on the Republican "Contract With America" policy proposals and the Republican takeover of Congress.

Aside from the gubernatorial race, two other individual races received heavy coverage by Chicago newspapers. One was the re-election bid of Democratic Congressman Dan Rostenkowski. Rostenkowski, a long-time incumbent and chairman of the powerful House Ways and Means Committee, was fighting federal corruption charges during the campaign. But few expected the charges to damage Rostenkowski's chances for re-election in his heavily democratic district. Rostenkowski was known for having won millions of dollars in federal grants and

projects for the Chicago area. Voters were expected to overlook his alleged illegal activities to maintain his influence in Congress.

The expectation of Rostenkowski's return to office was so strong that the candidate hardly campaigned at all, making few public appearances. It also was evident in the Republican Party's failure to run a seasoned candidate against Rostenkowski. Instead, a political newcomer, lawyer Michael Flanagan, who had no record of public service, was the Republican candidate. But when a poll late in the campaign showed Flanagan in the lead and the Republican Party began pouring money into his campaign, news coverage of the race intensified, especially in the *Sun-Times*, which circulates heavily in Rostenkowski's district. On election day, Flanagan unseated Rostenkowski with 54% of the vote. Rostenkowski later plead guilty to lesser charges.

The other Chicago-area political district to receive coverage comparable to that of Rostenkowski was a race for the Illinois State Senate. But unlike the Rostenkowski race, this race featured no dramatic upset of the incumbent. Instead, media attention focused on remarks made by Republican James "Pate" Philip, president of the Illinois Senate, that many considered to be racist.

In an editorial board interview with the *Daily Herald*, Philip said that African-American state welfare workers did not have the same work

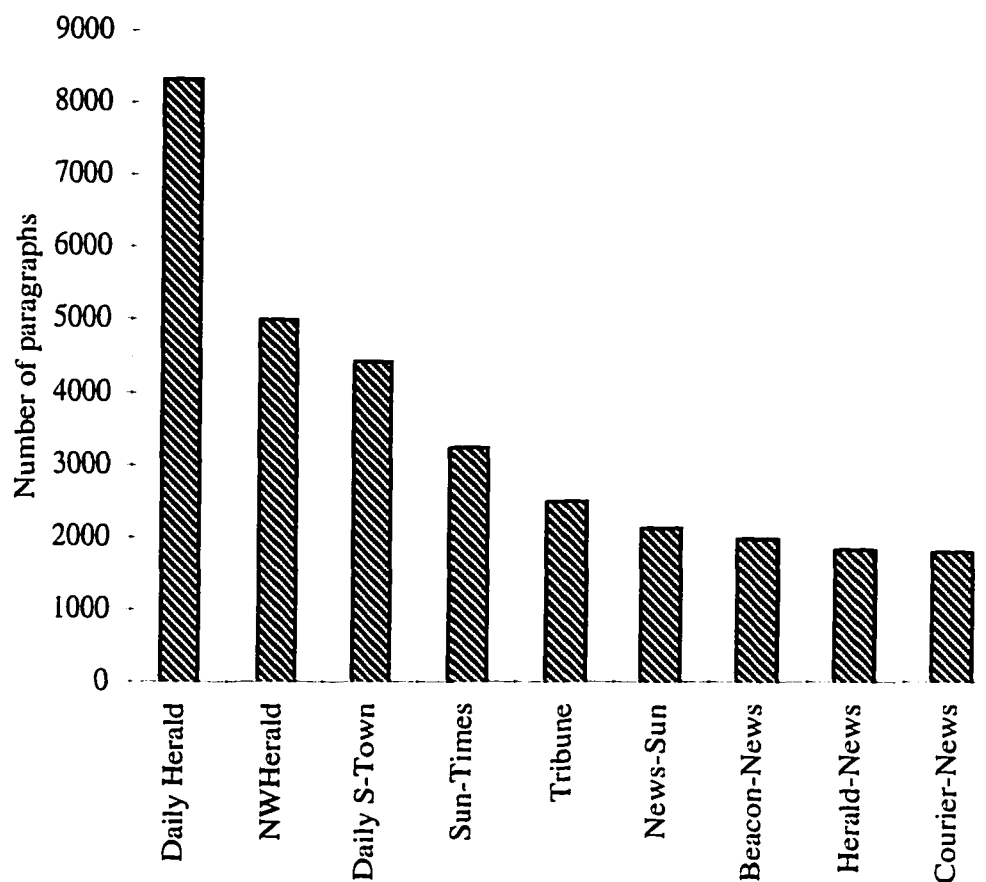


Figure 3: Total amounts of 1994 general election coverage published by Chicago-area daily newspapers.

ethic "that we do." The paper reported the remarks which began a barrage of follow-up articles, editorials, columns and letters to the editor in newspapers around the area. Commentary focused not only on the racial insensitivity of Philip, but also of his constituents, who generally supported Philip throughout. Indeed, he was returned to office with almost 70% of the vote.

Chicago-area dailies covered the election of 1994 to varying degrees. Figure 3 shows the total amount of content, in paragraphs, published by each paper. The satellite city Arlington Heights *Daily Herald* and suburban *Northwest Herald* led the way in sheer amount of election material published. Surprisingly, these papers and the *Daily Southtown* published more election content than the *Tribune* or *Sun-Times*, their larger competitors. This may have been due to the fact that there was no major national election story in 1994, such as a presidential election. As mentioned above, the biggest story of 1994 was the "Republican revolution" and "Contract With America." This story apparently was not big enough, however, to generate heavy campaign coverage by Chicago's two largest daily papers. *Daily Herald*, *Northwest Herald* and *Daily Southtown* coverage focused on local and statewide politics.

The four suburban Copley papers carried almost equal amounts of election coverage. In fact, many stories were duplicated across the papers via the Copley News Service, the chain's wire service. All of the Copley papers also published an election preview tabloid, which included summaries of statewide races and ballot initiatives, along with summaries of local races tailored to each paper's readership.

The nature of coverage

Studies of newspaper coverage of elections have repeatedly shown that "horse-race" or "game" coverage dominates election news (Alger,

1994; Buchanan, 1991; Patterson, 1993; Patterson, 1980). According to Patterson, such coverage approaches electoral politics as a "strategic game." The focus of this type of coverage is on who is winning or losing political contests and campaign strategy. This research also suggests that the increasing emphasis on the political horse race has come at the expense of other forms of political news, particularly coverage of policy issues. Many have lamented this trend, arguing that, while coverage of the political horse race may be interesting and dramatic, coverage of candidate policy positions is crucial for voters to cast well-reasoned votes.

According to Patterson, horse-race coverage has come to dominate election news because it satisfies the demands of modern news production. First, most journalists covering election campaigns contribute to a daily news product. Candidate policy stands don't change on a daily basis. Thus, once they are reported, they no longer qualify as "news." Campaign strategy and the status of the horse race, on the other hand, change frequently. The political horse race, then, is that aspect of electoral politics that best supports the daily production cycle of news organizations.

Patterson also argues that the dominance of horse-race coverage is in part due to its inherent drama. The horse race provides "conflict," a key component of how journalists define "news." And finally, the horse race is relatively simple to communicate. It has clear cut winners and losers,

and focuses on individual candidates rather than the broad and diverse constituencies they represent. Perhaps it is here that the horse race differs most dramatically from policy issues, which are often complex and difficult to discuss adequately in the limited space and time in which journalists must communicate.

The conclusion that news about the political horse-race dominates election coverage is widespread. Many news professionals agree that the political horse race is overemphasized and have in recent years tried to increase the amount of issue coverage they provide (Hallin, 1992). However, the horse race coverage is still thought to dominate election news. But coverage of the 1994 campaign in the Chicago metropolitan area does not support this conclusion.

Coverage of congressional and state legislative races was coded according to four categories of coverage type. "Horse race" paragraphs were those that focused on who was winning or losing a race, poll results, and campaign strategy and finance. "Policy" paragraphs were those that mentioned candidate policy positions or general ideological position, such as "conservative Republican." "Candidate personality" paragraphs mentioned a candidate's personal or family history, political

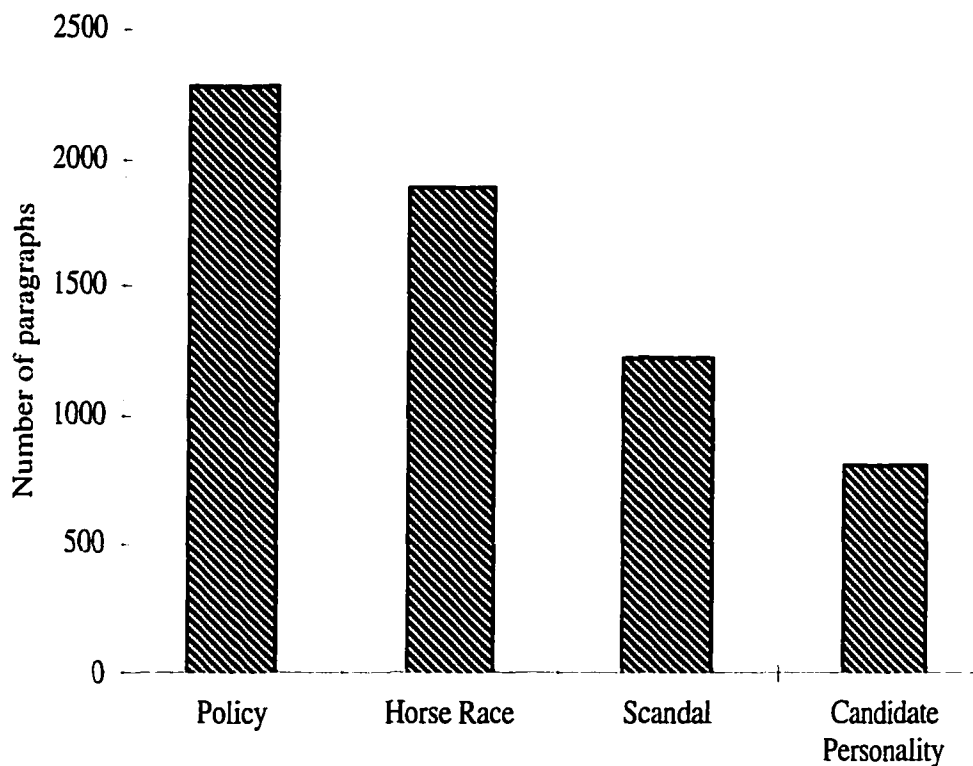


Figure 4: Types of 1994 daily newspaper coverage of Chicago-area congressional and state legislative races.

or professional experience, or general descriptions of character. And finally, "Scandal" paragraphs were those mentioning indictments or charges of illegal activity, and accusations of prejudice against minorities. Any paragraphs not fitting into one of these categories was coded as "neutral." These content categories were coded as independent variables on each paragraph. Thus, a single paragraph could "cue" more than one category. However, a large majority of paragraphs across the nine daily newspapers received only one content category code.

Figure 4 shows the amount of newspaper content in paragraphs assigned to the four categories. Contrary to many previous studies, this analysis reveals that the press published more content on the policy stands of candidates than it did on the political horse race. Coverage of scandal was the third most covered category with news about candidate personality receiving the least coverage.

This may be due to the fact that this analysis includes news coverage of levels of politics not usually studied. Most other analyses of media coverage of elections focus on coverage of national politics, especially presidential campaigns. These campaigns are waged to garner the support of large and geographically dispersed constituencies. Because of that, campaign communications are a much more important element of the campaign than in state and local politics. Aside from merely developing policy positions, candidates also must determine a communications strategy to reach large numbers of voters. This strategy involves television advertising, staged events to attract media coverage, and millions of dollars. National officeseekers hire political strategists to plan and carry out this marketing campaign. Public opinion polls are used throughout campaigns to direct strategy and news coverage. State and local elections, on the other hand, involve smaller constituencies and less money.

Candidates, especially at the local level, often don't have the money to hire campaign strategists, commission public opinion polls, or

produce television and radio commercials and buy air time. In short, state and local election campaigns offer journalists less strategy to cover. Without poll results and constant strategic maneuvering, journalists must focus on other aspects of the campaign. The absence of a big national story, such as a presidential race, to cover in 1994 also meant an absence of campaign strategy to cover for the Chicago press. Thus, journalists focused on the policy issues central to local and state campaigns.

Of course, more studies of media coverage of state and local politics are needed to determine if the nature of coverage does indeed differ across levels of electoral politics. The findings here suggest it does. In fact, we might expect the amount of horse race coverage to be less and the amount of other forms of coverage, including coverage of policy issues, to be more for smaller political jurisdictions.

Indeed, a crosstabulation of coverage type by levels of politics suggests that this may indeed be the case. According to Table 1 on the next page, congressional races in the Chicago area were more likely than Illinois State Senate and State House races to receive horse race coverage. State House races, on the other hand, were more likely to receive policy coverage than congressional campaigns. State Senate and congressional campaigns appear equally likely to receive policy coverage. It should be noted that the high likelihood of State Senate races to receive scandal

	Congressional	State Senate	State House
Horse Race	39%	19%	27%
Policy	30%	28%	51%
Personality	14%	11%	14%
Scandal	17%	43%	9%

Table 1: Percentage of paragraphs on congressional and state legislative races by coverage type.

coverage in this analysis is due largely to coverage of Senate President James "Pate" Philip's controversial remarks.

The data presented in this chapter paint a general picture of the Chicago-area newspaper market and coverage of the 1994 general election campaign. Chicago's daily newspapers published varying degrees of news and information of the election. Some races and issues received heavy coverage while others received little or no coverage at all. Marketplace competition among newspapers varied as well. In some parts of the metropolitan area, central city and suburban newspapers circulated heavily and market share was divided evenly across competitors. In other areas, one or two newspapers dominated. Whether the variance in coverage was related to the variance in marketplace competition is the central question of this analysis.

As was discussed above, it is assumed that market competition is positively related to the diversity of information available to the public. The next two chapters will examine the extent to which this assumption was true for newspaper coverage of the 1994 general election in Chicago. Chapter 3 examines whether newspaper market structure and the way news organizations differentiate their products enhance or hinder diversity in the “marketplace of ideas.” And Chapter 4 attempts to determine the independent impact of marketplace competition on various aspects of election coverage.

Chapter 3

Market Structure and Diversity in the Marketplace of Ideas

Those lamenting the decline of newspaper competition in the United States usually point to the few remaining cities where at least two newspapers of comparable size compete. And indeed, as was discussed earlier, the number of such cities has dwindled in recent decades. The assumed result of this is a decline in the diversity and quality political information available to the public. As Bagdikian writes, "It is a favorite axiom of large media operators that, while they have great power, if they abuse it the public will reject them. But in order to have the power of rejection, the public needs real choices and choice is inoperative where there is monopoly, which is the case in 98 percent of the daily newspaper business . . ." (1992).

But the much maligned trend has been accompanied by another that has attracted much less attention: the rise of the suburban press. Today, many major metropolitan areas are surrounded by a number of smaller publications that publish news, information and advertising tailored to local suburban audiences. These publications have added a seldom-studied new dimension to newspaper market structure.

Now, major metropolitan dailies may compete with a number of smaller suburban papers whose circulation zones they overlap. In fact, some economists studying media industries have argued that

metropolitan dailies are more likely to compete with suburban newspapers than with each other in markets where two metropolitan dailies still publish. This form of newspaper competition has been referred to as “intercity” or “umbrella” competition. And it suggests that many studies examining the content effects of newspaper competition may have misconceptualized the key independent variable. By focusing solely on the presence or absence of direct newspaper competition, these studies oversimplified newspaper market structure in large urban areas. The presence of the suburban press and the complex form of competition it fosters must be taken into account for an accurate understanding of the impact of market structure on newspaper content.

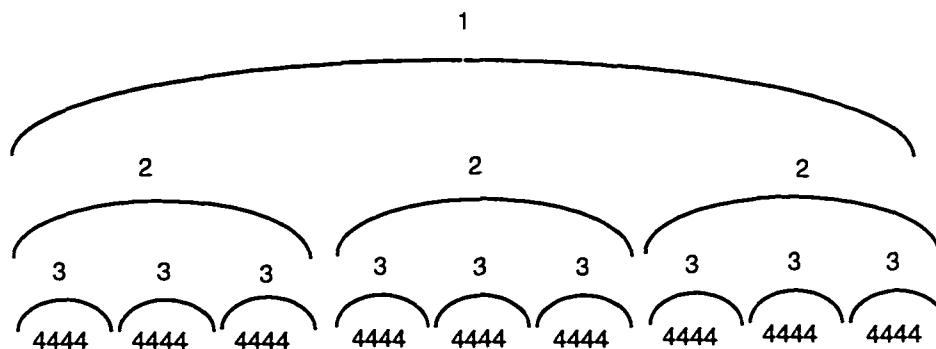
This analysis does just that. And in doing so, it provides a more accurate empirical examination of the key assumption underpinning works like Bagdikian’s -- that marketplace competition is positively related to the quality and diversity of political information. This chapter examines the relationship between patterns of election coverage and umbrella competition in Chicago. Specifically, it investigates whether the economic forces that have created umbrella market structure enhance or hinder diversity in the marketplace of ideas. The chapter begins with an overview of umbrella market structure. Then, an empirical investigation of election coverage by Chicago-area dailies gives insight into the relationship between this form of market structure and the production of political information.

The “umbrella” model of newspaper competition

The decline of newspaper competition has its roots in the economics of the industry itself. Most media markets, newspaper markets included, are characterized by economies of scale which are marked by declining average costs; that is, the average cost of producing each unit of a product declines as more units are produced. So, the more pages and/or copies of a newspaper that are produced, the cheaper the cost of producing each individual page and/or copy becomes.

The result, as Owen (1975) concludes: “Large newspapers will tend to drive out smaller ones; two smaller newspapers can both gain by merger” (p. 17). When economies of scale are large relative to market size, one firm can service the market more efficiently than many firms. But what is the relevant market for newspapers? As Owen points out, if economies of scale were the only factor determining the shape of newspaper markets, theoretically we would expect one national (or even global) newspaper. This clearly is not the case.

Several factors counteract the expansive influence of scale economies. First, the demands of advertisers and readers are localized. Readers demand local news and advertisers demand local audiences who live and shop in the areas in which they sell their products. Also, attracting a larger readership requires a higher quality product, which requires an increased investment (Owen, 1975). While the average cost



Key:

Level 1: newspaper in large metropolitan center

Level 2: newspapers in satellite cities

Level 3: local dailies

Level 4: weeklies and other specialized media

Figure 5: The umbrella model of newspaper competition as illustrated by Owen (1975).

of producing the first copy of a newspaper may decline as circulation increases, a higher investment in that first copy may be necessary to attract additional readers. In short, acquiring more and more readers may require too big an initial investment to be deemed worthwhile.

Thus, in the United States, newspaper markets tend to be limited geographically to areas that are meaningful to subscribers and advertisers. The competing influences of economies of scale on the one hand, and a demand by both readers and advertisers for geographically specific products on the other, explain the current multi-layered

structure of American newspapers. The "umbrella" model of newspaper competition, which appears in Figure 5, illustrates this phenomenon.

The United States newspaper industry is made up of several layers of papers which include large national publications like *USA Today*, the *Wall Street Journal* and the national edition of the *New York Times*; large regional papers, like the *Los Angeles Times*, *Chicago Tribune*, and *Philadelphia Inquirer*; medium-sized, small city and suburban dailies; and local weekly papers. This market structure has been referred to as "umbrella competition" (Rosse & Dertouzos, 1979). The model gets its name from its most common illustration which resembles layers of umbrellas of decreasing size. The umbrellas represent the overlapping circulation zones of papers occupying different layers of the model.

A few empirical studies have investigated the umbrella model. In a study of competition among Southern California dailies, Tillinghast (1988) found that intercity competition led to shifts in circulation and advertising. Lacy and Sohn (1990) compared the content of metropolitan dailies and suburban non-dailies. They found that the two types of papers were not good substitutes for one another. And Lacy (1988) found that suburban newspapers competing with larger metropolitan dailies tend to respond by increasing their news hole as well as local news coverage.

The umbrella model suggests that those studying content effects by examining the few remaining cases of direct newspaper competition may

have been looking in the wrong place. Markets with only a single center-city daily, considered to be monopoly markets in these studies, may be highly competitive according to the umbrella model.

Rosse and Dertouzos (1979) argued that due to the existence of scale economies, newspapers are more likely to differentiate their products to appeal to different audience segments rather than compete directly "within audiences." As they explain, "survival of newspaper firms depends on each being able to whittle out a profitable audience segment" (p. 448). This segmentation usually occurs according to geographic communities. Newspapers segment the market by providing content that attracts readers of distinct local areas. What varies from one newspaper to the next is the size and boundary of that local community. The only difference between the *New York Times* national edition and a small, suburban daily newspaper "is the size of the local community in which each happens to be located. . . . This is what is meant by audience segmentation" (Rosse and Dertouzos, 1979, p. 448.).

But local communities often overlap, especially in large urban areas. Rosse argues that when this happens, larger newspapers will compete with those occupying lower layers. Zoning is the primary way this is done. Most large metropolitan dailies with suburban or satellite city circulation print different editions of their paper. Each edition circulates in a different local community and contains content tailored to that specific audience. Oftentimes, a paper's suburban editions contain

stories not appearing in the central city edition. Or, stories appealing more to one local audience than another may appear on a section front in one edition and inside pages in another. In this way, large metropolitan papers can appeal to various local audiences while still realizing economies of scale.

Research has found that the suburban press often responds to these “invasions” by large, center-city dailies by playing to their strengths and increasing their own amount of local news and information. According to Lacy and Simon (1993), “It appears that local dailies protect themselves from outside competition by providing more coverage of their hometown, which is difficult and expensive for an outside paper to do” (p. 115).

Differentiation, segmentation and diversity

Understanding the nature of product differentiation in newspaper markets is crucial to understanding the relationship between marketplace competition and political information. It is assumed that the economic incentive to differentiate conveniently supports the democratic need for a diversity of information. But this depends on *how* newspapers differentiate content. First of all, for product differentiation to support the First Amendment notion of diversity, it must occur according to information and opinion about matters of public

	Newspaper 1	Newspaper 2	Newspaper 3
County Election	√	√	√
State Election	√	√	√
National Election	√	√	√

Figure 6: An example of election news content differentiation in which all newspapers in the market provide coverage of all election campaigns in the market.

importance. It is possible, however, that newspapers differentiate their products in ways that have little to do with information and opinion relevant to democracy. For instance, they may publish different advertisements or classifieds than their competitors, provide different sports coverage, publish different comic strips, or use more color and graphics. These points of differentiation are hardly the kind that would foster diversity in the “marketplace of ideas.”

But even if competing newspapers do indeed differ in the political information they publish about matters of public importance, the nature of this differentiation still may not support the First Amendment notion of diversity. Two hypothetical models of newspaper coverage of election campaigns illustrate the point.

Assume three newspapers serve a market, represented as newspapers 1, 2 and 3 in Figure 6. Also assume that three political races--for local,

state and national offices--occur within the circulation zones of these papers. Such a mix of market and political structures is common in large metropolitan areas all over the country. The assumption about the congruence between newspaper product differentiation and information diversity leads us to believe that coverage of these races would look like Figure 6, with check marks representing races receiving coverage from each paper.

Thus, citizens residing in each political jurisdiction would receive three independent perspectives on each political contest. The competition might also encourage reporters to work harder to provide the best quality coverage of the race, knowing the competition is breathing down their necks. Newspapers might support this by allocating more resources to election coverage. In short, we would assume that having three independent and competing sources of information would enhance both the quality and diversity of information about each race.

But what if differentiation of coverage occurred according to Figure 7 on the next page? In this model, firms do not compete head-to-head in coverage of each race. They do not differentiate by providing different information and opinion on each race. Rather, they focus on one race and ignore the other two. Instead of differentiating by information and opinion, they differentiate by covering entirely different levels of

	Newspaper 1	Newspaper 2	Newspaper 3
County Election	√		
State Election		√	
National Election			√

Figure 7: An example of election news content differentiation in which each newspaper in the market provides coverage of only one election campaign in the market.

electoral politics than their competitors. Indeed, this is the pattern of differentiation suggested by the umbrella model.

As discussed above, the layers of the umbrella model are occupied by papers of differing circulation size which attempt to appeal to various “local” audiences. The smaller the paper, the smaller the local community it serves. According to Lacy (1988), “satellite dailies should have relatively more local coverage than metropolitan dailies and suburban dailies should have more local coverage than satellite dailies” (p. 401). To the extent that the local communities underpinning the umbrella model correspond to political jurisdictions, we would expect newspapers to provide differentiated political news according to Figure 7. That is, we would expect small suburban daily papers to devote a larger portion of their political coverage to local politics than satellite city dailies, which in turn would have more local coverage than large

central city papers. And we would expect larger papers in the market to focus on larger political jurisdictions, such as statewide and national politics.

A similar congruence between the geography of news audiences and political jurisdictions has been identified in television markets (Kahn, 1991; Goldenberg & Traugott, 1987; Campbell, Alford & Henry, (1984). The primary broadcast area of a television station is called its Area of Dominate Influence (ADI). Research has found that national political districts with a high degree of congruence with television ADIs receive more coverage than districts that do not. This is because television news organizations attempt to provide news and information that will appeal to all of the readers in their ADIs. Providing news and information that interests only a segment of that ADI fails to maximize ratings.

A content analysis was conducted to examine whether newspapers occupying different circulation layers tended to cover different types of political news. Specifically, it was hypothesized that the smaller circulation suburban newspapers would afford a larger portion of their coverage to local election news and information than their central city counterparts. Conversely, it was expected that the larger circulation central city papers would carry more regional and national election news.

Each of the newspapers' 1994 general election coverage was content analyzed. Each paragraph of coverage was coded as to the type of

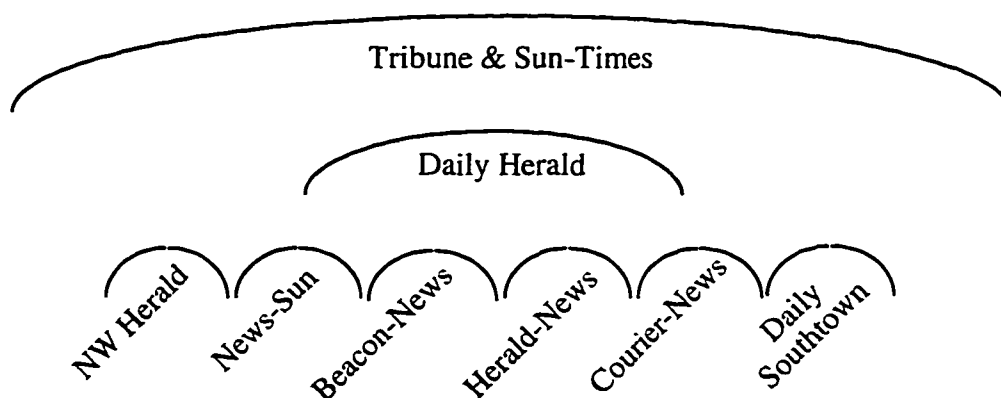


Figure 8: Newspaper market structure in the Chicago metropolitan area.

election campaign it was about. City and county elections included races for all city and county offices and local ballot initiatives; state legislative coverage included Illinois State House and Senate races; statewide coverage included all statewide offices such as governor, attorney general, and treasurer; congressional coverage included congressional campaigns in the Chicago metropolitan area; and national coverage included all local, state and national election campaigns outside Illinois, as well as coverage of national political trends. All news stories, columns, editorials and letters to the editor on the general election published during the final month of the campaign were coded.

Rosse's umbrella model represents the entire range of possible layers that can occur in a market. But in reality not all markets possess all of the layers of the model. Like most, the Chicago market has its own unique structure. As shown in Figure 8, it has two, central-city daily

newspapers, the *Tribune* and *Sun-Times*, which circulate throughout the entire metropolitan area and compete with one satellite city paper and a number of suburban dailies.

Table 2 on the next page shows the percentage of total election coverage each newspaper devoted to different levels of electoral politics. The percentages illustrate the different mixes of election news and information published by the papers. With the exception of the *Courier-News* and *Daily Southtown*, the suburban papers afforded more of their total election coverage to city and county news than the large, center-city dailies. The *Tribune* and *Sun-Times*, conversely, published higher proportions of national election news.

Statewide races, especially the race for Illinois governor, received a good deal of attention in all papers. Coverage of state legislative races, however, varied widely, especially among small suburban papers where we would expect to see the most coverage. State legislative districts are one of the smallest jurisdictions up for election during the period of study. But they received comparatively little coverage by the small suburban press. Congressional coverage also varied. Most papers afforded very little coverage to congressional elections with the exception of the *Daily Southtown*, *Courier-News* and *Sun-Times*. Most of the congressional coverage in these papers focused on Dan Rostenkowski's re-election bid.

	City/ County	State Leg.	State- wide	Congress	National	Other
Beacon-News	43%	6%	34%	8%	6%	3%
Courier-News	23%	7%	34%	13%	18%	5%
Herald-News	40%	11%	20%	7%	18%	4%
News-Sun	32%	13%	27%	7%	18%	3%
NW Herald	55%	7%	19%	6%	11%	2%
Daily Herald	35%	18%	23%	6%	17%	1%
Daily Southtown	17%	19%	36%	12%	13%	3%
Sun-Times	10%	4%	41%	15%	23%	7%
Tribune	27%	5%	18%	5%	36%	9%

Table 2: Percentage of total election coverage in Chicago area daily newspapers by election type.

While these data suggest that the content differences expected from the umbrella model hold true, a much clearer picture develops when coverage of the various levels of politics is grouped according to local and non-local news. For the purpose of this analysis, local election news is defined as that concerning city and county, state legislative, and congressional races, and local ballot initiatives. These jurisdictions are the smallest in the Chicago area and their boundaries tend to fit within the designated markets of the smaller, suburban newspapers. On the

other hand, they do not fit well with the designated markets of the larger, central-city dailies. The circulation zones of the *Tribune* and *Sun-Times* greatly exceed the jurisdictional boundaries of these offices and issues.

It should be noted that while congressional races can draw national interest, they are considered here to be local races, because the constituencies directly affected by their outcomes are small compared to statewide and national contests.

Figure 9 on the next page shows the percentage of all election coverage published by each paper on these local campaigns. As expected, all of the suburban papers afforded more coverage to local election news than the *Tribune* and *Sun-Times*. Leading the way was the *Northwest Herald*, which, as mentioned above, provided heavy coverage of a particularly contentious local ballot initiative. The *Daily Herald* provided the next highest percentage of local coverage, which is somewhat surprising. Based on the umbrella model, because the *Daily Herald* has a larger designated market than other suburban dailies, we would expect it to devote a lower proportion of its total coverage to local. But the paper's ability to zone coverage -- publishing different editions for different reader segments within its larger

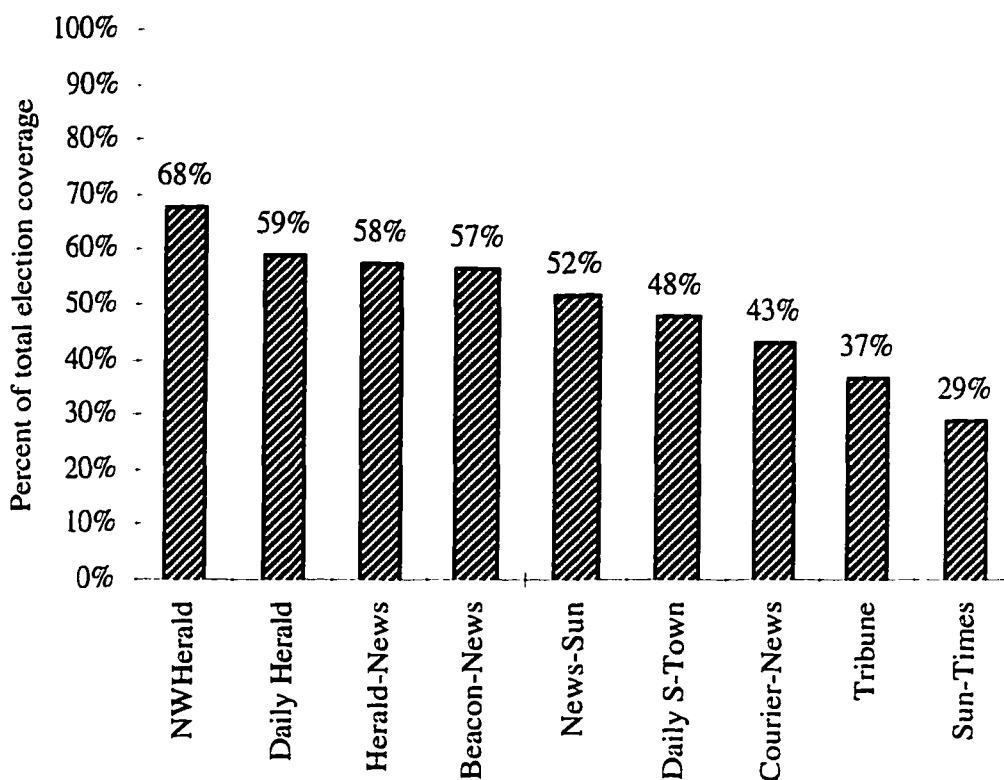


Figure 9: Percentage of total election content on local races and issues published by Chicago-area daily newspapers.

readership -- apparently allows it to more effectively compete with its smaller suburban counterparts. More will be said about zoning and its impact on umbrella market structure later in this chapter.

In general, these data follow the predictions of the umbrella model. The suburban papers and the satellite-city *Daily Herald* devoted a larger proportion of their election coverage to local news than the two center-

city dailies. Competing papers in the Chicago market in 1994 did indeed provide readers with very different mixes of political news.

But on the other hand, there was significant overlap in coverage. While the suburban press emphasized local election news more heavily than the *Tribune* and *Sun-Times*, these two center-city dailies still afforded a large proportion of their election coverage to local news. The *Tribune* especially covered local issues heavily, with almost 40 percent of its coverage being devoted to local elections and ballot initiatives. As one might expect, political news content differentiation in the Chicago market in 1994 does not fit perfectly with either of the models illustrated above. Rather, reality seems to fall somewhere in between, with competing papers emphasizing different aspects of the political world but still seeming to compete head-to-head to some degree.

An additional content analysis confirms these findings. Figure 10 shows the number of paragraphs of local election coverage published on each paper's front page during the month preceding the November election. A newspaper's front page contains those stories that editors believe are the most important and interesting for their readers. Thus, while the proportion of local coverage throughout a paper is an important measure of its perceived importance to a newspaper's readership, its presence on the front page is perhaps the ultimate test. A newspaper publishing a large amount of local election coverage on its

front page, relative to its competitors, clearly is trying to appeal to a more “local” audience segment.

An analysis of front-page content also allows direct comparisons of content emphasis across newspapers. The total space available for editorial content, or “newshole” as it is called in the industry, varies widely from paper to paper. Some newspapers publish more pages than others, and have more space available for news stories, columns and other editorial content. A newspaper with a large newshole may be able to publish a large amount of local coverage relative to its smaller competitors. But it may publish this material on inside pages signifying that the information is less important than front-page material. Conversely, a paper with a relatively smaller newshole may publish less overall local fare but put most or all of this coverage on its front page. This paper would be thought to be emphasizing local coverage more than its larger competitor.

All Chicago-area dailies have a broadsheet format, with the exception of the *Sun-Times*, which is a tabloid format. A tabloid has half the front-page space of a broadsheet. Therefore, direct comparisons of front-page political coverage can be made among eight of the nine Chicago daily papers. To estimate coverage amounts for the *Sun-Times* in a way that is comparable to the other papers in the market, the number of front-page paragraphs published by the paper has been doubled. Since a tabloid has half the front-page space of a broadsheet, doubling *Sun-Times* coverage

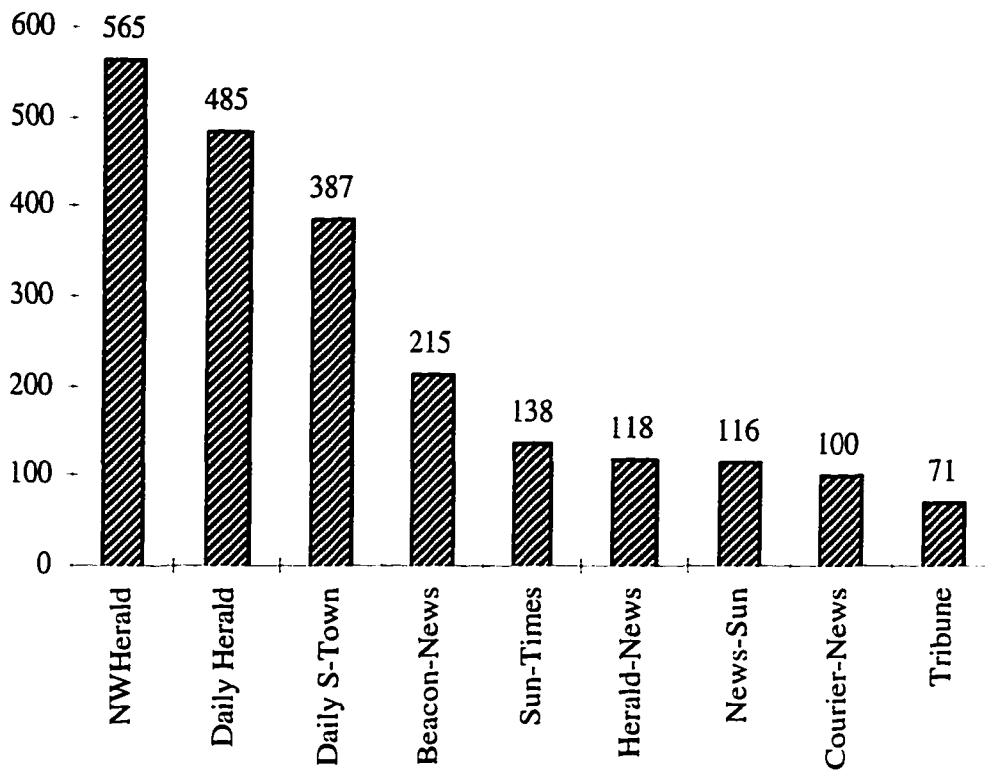


Figure 10: Amount of local election coverage, in paragraphs, published on the front page of Chicago-area daily newspapers.

amounts should approximate what the paper would have run on its front page had it been a broadsheet format paper.

Figure 10 in many ways repeats the pattern of Figure 9. The *Northwest Herald* again led the way in attention to local politics. The paper published more coverage of local election news on its front page than any other paper in the market. Also like Figure 9, the *Daily Herald*

was second in emphasis of local news. And the *Tribune*, as expected, finished last in front-page attention to local news. But the *Sun-Times*, the other center-city daily, published more front-page material about local elections than several smaller suburban papers. Again, it should be noted that the actual amount of local content on the *Sun-Times* front page has been doubled to compensate for the paper's smaller format. Much of the *Sun-Times* front-page election coverage dealt with the political demise of Congressman Dan Rostenkowski. While the Rostenkowski's actual district covers only a small portion of the *Sun-Times* designated market, the upset of the long-time Chicago congressman most likely appealed to readers throughout the metropolitan area.

This analysis of local election coverage again suggests that competing papers do indeed provide very different mixes of content. As predicted by the umbrella model, some papers, particularly the suburban press, emphasized local news more than their large, center-city competitors. But the analysis also shows that center-city dailies do not ignore local. Both center-city papers in this study included local news as a significant portion of their overall political coverage. And one of these papers published a comparatively large amount of local news on its front page.

This analysis suggests that despite incentives toward segmentation, newspapers strive to be complete products for their readers. They attempt to provide enough unique local content to achieve segmentation, while providing enough of a mix of other news and information to be

considered a good substitute for their competitors. This is especially true of the large center-city papers and the satellite city paper in this study. The *Tribune*, *Sun-Times*, and *Daily Herald* all have the ability to “zone” coverage. The *Daily Herald* is perhaps most adept at zoning, publishing some 20 zoned editions of its paper in 1994, each with news and information tailored to a specific “sub-group” of its larger readership. Zoning allows large papers to compete directly with the suburban press by offering readers of small communities news and information specific to their hometown.

These data suggest that product differentiation and audience segmentation are not such that competing publications provide coverage of different aspects of the political world rather than offering different ideas and opinions on the same aspects. While papers clearly provided different mixes of political and non-political news, as well as different mixes of local and non-local election coverage, there were significant areas of overlap.

But this analysis does not indicate whether, in those areas of overlap, a diversity of information and ideas was offered by competing papers. It could be the case that competing papers covering the same political contest provide readers with essentially the same information. That is, they could duplicate information rather than providing two truly divergent perspectives. A more detailed examination of election coverage diversity and marketplace competition is needed to determine

whether competition does indeed influence content diversity. The next chapter provides such an analysis.

Chapter 4

Determinants of Election Coverage

The impact of economic competition on content

The first task of an empirical analysis of key First Amendment concepts is to define these concepts in a way that can be measured in actual communications, such as newspaper content. The difficulty in doing so is perhaps the primary reason why so few empirical investigations of this subject have been done. However, such analyses are crucial if our understanding of the relationship between economics and information is to be based on anything beyond assumption and anecdote.

This study develops several measures of content meant to tap key First Amendment concepts. To study the impact of marketplace competition on these measures, a variety of data were collected on all of the 104 state legislative and congressional districts up for election in the Chicago newspaper market in 1994. All news coverage and editorial page content of state legislative and congressional races from the area's nine daily newspapers for the month-long period preceding the 1994 fall election was coded according to the measures discussed below. Multiple regression was used to determine the impact of marketplace competition and other variables on content.

The unit of analysis for this study is different than that usually used in studies of newspaper content and competition. The unit of analysis traditionally has been the newspaper rather than the market. But this study design does not provide a good test of the assumption that marketplace competition enhances information diversity in the marketplace of ideas. This assumption is based on the idea that a marketplace with many independent sources of information--thus, a competitive one--enhances diversity because it is thought each of those independent sources is likely to be saying something different. A study design with the newspaper as the unit of analysis only can gauge whether a diversity of information is provided *within* individual newspapers. It tells us nothing of the diversity of information across the market.

The pitfalls of this study design become apparent with a little hypothetical thinking. Assume we draw a sample of newspapers from around the country and measure the diversity of information within each newspaper. To study the impact of competition on diversity, we compare newspapers in our sample that face competition with those that do not. Let's assume further that two of our sampled newspapers compete with each other. Both, relative to other newspapers in the sample, have very low diversity scores. Both, let's say, cling tightly to their respective

ideological points of view, publishing no information from alternative perspectives. With the unit of analysis being the newspaper, we would conclude that at least for these two papers, competition did not enhance diversity. But what if we knew that one paper's ideological perspective was liberal and the other conservative? Then we would conclude that competition did indeed foster a diversity of information in that newspaper market. The competing papers provided competing points of view. But there is no way of determining this kind of diversity with the unit of analysis being the newspaper. And it is precisely this kind of diversity that is most relevant to current assumptions about the relationship between economics and information.

This is not to say that the pressures of competition might not encourage newspapers to provide more diversity of coverage within their own pages. But this is a different hypothesis than that put forth by most First Amendment thought. To test this assumption, the unit of analysis must be the geographic area or reader group in which there is an interest in the type of information being provided. When it comes to news and information about electoral politics, this area is the political district. Thus, for this study content data were collected on each political district from all of the daily newspapers that circulated in that district.

The content measures used in the analysis tap the two key requirements for information in a democracy suggested by First Amendment thought. These requirements were discussed in earlier chapters. The first is that citizens should be provided with information about matters of public importance. While the relevance of some kinds of information to democracy is debatable, one would be hard pressed to argue against the relevance of information about electoral politics. For voters to cast well-informed votes, they must have information about the candidates for office. Attention to these “matters of public importance” was measured as simply the amount of newspaper content, measured in paragraphs, published by area dailies on each race.

Also recorded was the amount of different types of coverage about each race. The categories, as in the previous chapter, are policy coverage, horse race coverage, coverage of the candidate's personal life and experience, and coverage of scandal. Of particular interest here is policy coverage. While all forms of election coverage might be considered important for voters, many media scholars have argued that, above all, coverage of candidates' policy positions is most important for a properly functioning democracy (Entman, 1989; Patterson, 1993). It is assumed that since the purpose of elections is to choose a government whose job it is to enact policy, having information about the policy

positions of the candidates is crucial. Without it, citizens cannot cast votes supportive of their interests.

The second informational requirement of democracy according to First Amendment thought is that citizens should be provided with a diversity of information about these matters of public importance. While diversity is a core concept of First Amendment thought, it is seldom defined explicitly enough to develop measures of its presence in media content or speech. Little work has been done which attempts to empirically measure the presence of diversity in communications texts.

In developing an operational definition of diversity, two key questions must be addressed. First, of what, exactly, do we need a diversity? Do we need a diversity of ideas? Of information? Of opinions? Of voices or sources of information? If we decide that idea diversity is indeed what counts, what constitutes an idea? How do we identify one idea from another in a communicating text. How does one count the number of distinct ideas a text contains? The second question is just as formidable. How much diversity is enough? Is a marketplace of two ideas a diverse one, or do we need 10 or 100?

Though perhaps unsatisfying, this study does not argue for a single "best" measure of diversity. Instead, it employs several measures of diversity in newspaper content. These measures are not presented here as

an exhaustive list. Rather, measures of diversity must be as varied as interpretations of the concept itself. The operational definitions discussed below represent one attempt to measure some common notions of diversity. Future studies should build on these basic operationalizations to expand the ways in which we empirically investigate the concept.

This study also offers no benchmarks with which to evaluate levels of diversity. Instead, it assumes that diversity is more a matter of degree than of mere presence or absence. This analysis is concerned with the *variance* of diversity and the degree to which it is impacted by marketplace competition. The key question examined here is whether there is a positive relationship between marketplace competition and diversity.

Defining diversity in a way that can be measured in communicating texts like newspapers means being able to quantify its presence. As mentioned earlier, social scientists often employ an “index of diversity” or “entropy” measure to gauge the diversity of various characteristics in societies. These measures, which can be found in most basic social science statistics textbooks, have been applied to ethnic ancestry (Bohmstedt and Knoke, 1988), public opinion (Lasorsa, 1991; Chaffee and Wilson, 1977), and wealth (Baily, 1985). These statistics are based

on the work of Shannon and Weaver (1949), whose “H” statistic for measuring entropy in a system was based on information theory. While the measures used in each of these studies vary slightly in computation, their basic qualities are the same. They are appropriate for use with categorical data. And they all produce a continuous statistic that increases as the number of categories, or range, and equality of distribution of cases across those categories increases. Thus, the measures conceptualize diversity as a function of both range and equality.

To illustrate how measures of diversity or entropy work, consider that we collect data on public opinion toward foreign investment. Suppose opinions are distributed across categories ranging from strong support to strong opposition. If an overwhelming majority of respondents strongly oppose foreign investment, with only a scattering of respondents voicing other opinions, the diversity statistic will be low. If on the other hand, cases are equally distributed across opinion categories the number will be high. Diversity measures also increase as the range of opinion increases. Thus, a community in which individuals hold five different opinions on foreign investment will produce a higher score than a community which holds only two.

This conceptualization of diversity is appropriate for information as well. The First Amendment notion of diversity refers to having a multiplicity of distinct ideas or bits of information in the marketplace of ideas. In other words, it recommends a wide range of information. The wider the range, the more diversity we are thought to have. But information diversity also is a function of equality of emphasis. If one idea dominates all others, being voiced more frequently or reaching a much larger audience, diversity is thought to be less than if competing ideas are given equal say.

This study applies the index of diversity to a number of measures of newspaper content. The exact computation appears in Appendix A. Diversity scores were calculated for the following content elements.

Coverage topic: Coders categorized paragraphs according to the following typology: Horse race coverage; coverage of candidate personal life and experience; coverage of policy positions; and coverage of political scandal. Paragraphs not containing "cues" for any of these categories were coded as neutral.

This measure attempts to operationalize the notion of *information* diversity by measuring the type of information appearing in newspaper coverage. These content categories have been used frequently in previous studies of campaign coverage, and almost all of the content data for this

analysis--more than 6,000 paragraphs of coverage--could be coded into at least one of them. Thus, these categories comprise a reliable and comprehensive measure of the nature of campaign coverage.

Valence: Valence categories were pro Democrat, con Democrat, pro Republican, and con Republican. Coding instructions also included pro and con categories for independent or third party candidates. However no coverage of such candidates in state legislative or congressional races appeared in Chicago-area dailies during the period of study. Paragraphs not clearly cueing any of these categories were coded as neutral.

This measure attempted to tap *opinion* diversity as simply and directly as possible. While the full range of opinions offered in newspapers for a campaign season would be difficult, if not impossible, to account for, it is possible to examine evaluations of major parties and their candidates.

Source: Paragraphs were categorized according to their source, if that source was someone other than the reporter of the story. Direct quotes and paraphrased information directly attributed to a source were coded according to the following categories: candidate, campaign spokesperson, citizen, interest group representative, political party representative, pundit/political expert or analyst, other politician or elected official, and election official.

Source diversity is thought to be closely related to opinion diversity in the First Amendment literature. As has been discussed throughout this analysis, this assumption underpins the widely shared belief that a diversity of independent media firms in a market leads to a diversity of ideas and opinions. But a single newspaper, by serving as a conduit for those it covers, also can provide diversity of independent sources of information. This measure accounts for the presence of this type of source diversity.

Editorial endorsement diversity: Finally, coders collected data on editorial endorsements to provide an additional measure of *opinion* diversity. Newspaper editorials are perhaps the most straightforward expression of opinion provided by news firms. It is there that a newspaper most clearly reveals its ideological leanings. A routine part of the political coverage of many newspapers is the editorial endorsement, in which the paper's editorial board argues for its choice of candidates in election campaigns. A clear diversity of opinion exists in a market when two or more competing papers offer differing endorsements for the same race. In such a case, voters would be provided with arguments for each candidate in the race. Such a situation comes very close to the metaphoric marketplace of ideas.

These measures of content diversity provide what I believe are valid measures of the First Amendment concept. These measures, along with the measures of content amounts, were examined in several multiple regression analyses to gauge the impact of market competition on newspaper content, controlling for a number of other variables. Multiple regression is a statistical method that tests for a relationship between variables. Thus, if dominant assumptions about the relationship between economics and political information hold true, we would expect a positive relationship between marketplace competition and our various measures of diversity. That is, we would expect that when marketplace competition increases, diversity would increase. Conversely, when marketplace competition decreases, so should diversity.

The creation of a measure of marketplace competition, the primary independent variable, presented special challenges. Circulation data for state legislative and congressional districts are not available from the Audit Bureau of Circulation, the organization responsible for determining newspaper circulation. ABC data are, however, broken down by zip code. To acquire circulation data for political districts, maps of the districts were specially created and sized to fit precisely over a map showing zip code boundaries. This allowed the zip codes within each political district to be identified. Each district's zip codes

were then used to calculate circulation figures from ABC data for each newspaper.

From these data, an index of market concentration known as the Hirschman-Herfindahl Index (HHI) was computed for each state legislative and congressional district in the Chicago area. Many studies of newspaper market structure operationalize competition categorically, according to the type of competition. Types can include direct competition, intercity competition and competition under joint operating agreements. Others use dichotomous measures, with a 1 representing a competitive market and a 0 representing a monopoly.

These measures are the most common in the literature because they are easy to compute and do provide variance in national samples of newspaper markets. But they do not take into account variations in the degree of competition. Not all competitive markets are alike. And even though two newspaper circulation zones might overlap, this does not guarantee vigorous competition. The HHI is a more sensitive measure of competition. It provides an index ranging from 0, representing the highest level of competition, in which market share is equally divided among all firms in the market, to 10,000, which represents monopoly. Thus, in the regression analyses to follow, we would expect the HHI to be inversely related to the measures of content. The exact computation of

the HHI appears in Appendix A. Aside from the HHI, a number of control variables were used in each analysis. They were:

Competitiveness of the campaign: Previous studies of campaign coverage have found that more competitive races attract more news coverage. Journalists consider competitive campaigns to be more exciting and interesting to readers. This variable was operationalized as the winning candidate's percentage of the total vote. This percentage is then subtracted from 1 to provide a scale that represents increasing competition as scores rise.

District type: It also was necessary to control for the type of political jurisdiction in each analysis since state house, state senate and congressional districts were being studied. It is plausible to assume that larger political districts, which encompass more potential newspaper readers, might receive more coverage than smaller districts. Or, as was discussed in the preceding chapter, newspapers may provide more coverage of jurisdictions that better fit their circulation zones. District type is operationalized as a series of dummy variables with State House district serving as the base variable.

Scandal: Because conflict and controversy are influential determinants of news coverage, political campaigns marked by public scandal may receive more coverage than less caustic races. Races coded

Dependent Variables

Independent Variables	Amount	Policy	Horse Race	Personal	Scandal ⁴
Market Competition	-0.017 (-.16)	-0.01** (-.28)	-0.002 (-.05)	-0.0009 (-.06)	-0.005 (-.10)
Campaign Competitiveness	148.11* (.20)	65.99** (.34)	64.01* (.21)	25.39** (.26)	-2.91 (-.01)
Scandal	53.85* (.21)	1.08 (.02)	17.26*** (.16)	2.50 (.07)	32.62* (.26)
Congressional Race	105.78** (.31)	27.95** (.31)	54.35** (.38)	18.37** (.40)	10.09 (.06)
Senate Race	64.50* (.18)	14.69*** (.16)	10.55 (.07)	6.30*** (.13)	35.34* (.21)
Constant	76.22***	42.26**	4.12	2.84	20.99
Adjusted R-Square	.36	.39	.30	.30	.11

* $p < .05$ (95% confidence level)

** $p < .01$ (99% confidence level)

*** $p < .1$ (90% confidence level)

Table 3: Regression coefficients and standardized coefficients (in parentheses) for determinants of coverage amounts.

⁴ To clarify, this variable is not the same measure as the independent variable "scandal." This measure is a continuous variable of the number of paragraphs concerning scandal on each race. The independent variable "scandal" is a dichotomous variable which measures whether a scandal occurred during a campaign, rather than the amount of coverage given the scandal.

as "scandalous" were ones in which formal charges were made or indictments filed, or candidates were informally accused of a criminal act; races in which candidates were accused of violating the public trust or being unethical; and races in which candidates were accused of prejudice against minorities.

Results from regressions on the amount of coverage of various kinds published on each race appear in Table 3. The table reports the coefficients for each independent variable, the standardized regression coefficients, adjusted R-squares and significance levels. The coefficients represent the change in the amount of coverage caused by a one unit change in the independent variable. For example, a race with a campaign competitiveness score of .49 would be expected to receive about 29 more paragraphs of coverage than a race with a competitiveness score of .30.⁵ Coefficients that are statistically significant at the 95 percent confidence level or better are indicated. The significance levels represent the degree of confidence we have that the coefficient is not zero, given sampling error.

As mentioned above, district type has been operationalized as a series of dummy variables with state house district serving as the "base" variable. Looking at the column of coefficients under coverage amount, this means that state senate races receive an average of about 65 more

⁵ Specifically, $[148.11(.49)] - [148.11(.30)] = 29$.

paragraphs of coverage than state house races, and congressional races receive about 106 more paragraphs.

The standardized regression coefficient allows direct comparisons of the impact of the independent variables. Since the independent variables have different metrics, it is often difficult to compare their coefficients in a meaningful way. The HHI, for instance, ranges from 0 to 10,000. Therefore, a small coefficient for this variable may result in more of an impact than a much larger coefficient for a variable such as campaign competitiveness, which ranges from 0 to 1. The standardized regression converts coefficients into a common metric so direct comparisons of impact can be made. The adjusted R-square for each equation, which is the proportion of variance in the dependent variable “explained” by variance in the independent variables, also appears.

Coverage amounts for the 104 political districts studied here ranged from 0 to 766 paragraphs. Nineteen races received no coverage at all in the area’s daily newspapers. Most of these were for uncontested state legislative seats. The races receiving the most coverage were those of Congressman Dan Rostenkowski (766 paragraphs) and State Senator James “Pate” Philip (668). As discussed earlier, both races were marked by scandal, with the Philip race having more paragraphs devoted to scandal (529) than any other race in the analysis. The Rostenkowski race received the most coverage of candidate personal life (136 paragraphs) and the most horse race coverage (437). The most policy coverage

received by any single race was 130 paragraphs for the State Senate contest between Republican incumbent Dick Klemm and Michael Walkup to represent one of Chicago's northwest suburbs.

Table 3 shows that the impact of market competition is in the expected direction for all equations. However, only one of the coefficients is statistically significant at the 95 percent confidence level or better. The amount of policy coverage seems to be negatively impacted by the degree of market concentration. Remember that the HHI is an inverted measure of competition. That is, competition increases as the index approaches zero. Its coefficient indicates a $-.01$ change in the amount of policy coverage for every one unit change in the HHI. To illustrate the relationship, consider two markets, one with an HHI of 1,000, indicating a high degree of competitiveness, and one with an HHI of 7,000. According to the regression, the first market would receive 60 more paragraphs of policy coverage than the second.

While market competition does have a significant impact on the amount of policy coverage, it is not the most influential variable in that equation. A comparison of the standardized regression coefficients indicates that campaign competitiveness and whether the race was for a congressional district were more influential predictors of policy coverage. In fact, with the exception of the equation for scandal coverage, campaign competitiveness and type of district were the two strongest predictors of all of the dependent variables.

It seems that a more competitive election campaign results in more overall coverage, as well as more coverage of policy, the political horse race, and candidate personal life. The implications of this finding are twofold. First, it is troubling, though perhaps not surprising, to find that the comprehensiveness of news coverage about elections is driven in large part by the competitiveness of the race. This is not surprising because competitive campaigns no doubt offer better narrative ingredients than most lopsided races. They tend to be more dramatic and exciting, for instance. But it is troubling for those concerned with self-government. Ideally, voters should have information on all election campaigns, not just those that make compelling stories.

The size of the political jurisdiction also had an impact on coverage. Again with the exception of scandal coverage, the data indicate that the larger the district, the more coverage it receives. Congressional races tended to receive more overall coverage and more specific types of coverage than state senate races, which in turn received more coverage than state house races.

The equation for the amount of scandal coverage looks somewhat different from the others. As might be expected, the independent variable "scandal," a dichotomous measure representing the presence or absence of scandal, was the strongest predictor of the amount of scandal coverage. Also a strong predictor was whether a race was a State Senate race. This was due in large part to the influence of the James "Pate"

Dependent Variables

Independent Variables	Diversity of Coverage Type	Diversity of Valence	Diversity of Sources	Editorial Endorsement Diversity
Market Competition	-0.000002 (.01)	-0.00004 (.14)	-0.00004* (.20)	0.0001
Campaign Competitiveness	0.88** (.54)	0.99** (.54)	0.27* (.19)	7.90*
Scandal	0.05 (.09)	0.12* (.19)	0.15** (.30)	1.06
Congressional Race	0.09 (.13)	0.13* (.15)	0.14* (.21)	0.23
Senate Race	0.05 (.06)	0.06 (.07)	-0.01 (.02)	0.68
Constant	0.14	0.19***	.24*	-5.32**
Adjusted R-Square	.37	.56	.35	90% predicted correctly ⁶

* $p < .05$ (95% confidence level)

** $p < .01$ (99% confidence level)

*** $p < .1$ (90% confidence level)

Table 4: Regression coefficients and standardized coefficients (in parentheses) for determinants of coverage diversity.

⁶ R-square is not an appropriate statistic to use with logit analysis. However, there are other "goodness-of-fit" measures that are appropriate, although there is no universally accepted measure (Hagle & Mitchell, 1992). One such measure is the "percent predicted correctly" (Aldrich & Nelson, 1984). The statistic measures the percentage of cases for which the model accurately predicts the value of the dependent variable. The improvement in the number of cases predicted correctly over a prediction assuming the modal category is the model's contribution to our understanding of the process producing observed outcomes.

Philip race, which, as has been discussed, received a much larger amount of scandal coverage than any other race in the analysis.

These regressions say nothing of the relationship between competition and diversity. Table 4 shows the results of another series of multiple regressions on measures of content diversity. Political district scores for diversity of coverage type ranged from 0 to .66. For diversity of valence, scores ranged from 0 to .8. And for diversity of sources, they ranged from 0 to .72.

The impact of market competition is in the expected direction for all but one of the equations. Its coefficient in the equation for endorsement diversity is positive, indicating that competing endorsements are slightly less likely as market competition increases. It should be noted, however, that this coefficient is not statistically significant.

But the impact of market competition on source diversity is significant at the 95% confidence level. Thus, as competition increases so does the diversity of news sources to which information is attributed. And according to its standardized regression coefficient, market competition is the second most influential predictor of source diversity.

Campaign competitiveness again proved to be a powerful predictor in each of the models. Its coefficient was statistically significant at the 95% confidence level or better in all of the equations. Thus, all forms of diversity measured here seemed to increase with the competitiveness of

political contests. The presence of political scandal was an influential predictor of source diversity. This may be due in part to journalistic standards of “balance” and “fairness.” Remember that source diversity is measured here as a function of the range and equality of the distribution of cases across coding categories. A high source diversity score means that a broad range of sources were given relatively equal say in news stories and on the editorial page. Political scandal is a controversial subject matter which can be very damaging to candidates. It is reasonable to assume that in reporting such stories, journalists may go out of their way to avoid charges of bias. One way this can be done is by making sure the sources they interview are both wide ranging and equally represented in the their stories.

This explanation is supported by the impact of scandal on the diversity of valence. The presence of political scandal is the second most influential predictor in the equation. Again, to avoid the appearance of bias in covering scandal, journalists may strive to present an equal balance of pro and con statements about the accused candidate. This is not to say that balanced reporting is not a goal of most journalists in all stories they report. Balance and fairness are basic journalistic standards. But, in most news stories, as long as opposing viewpoints are represented these standards are thought to be satisfied. Journalists do not routinely match the frequency with which opposing views are mentioned. But in coverage of scandal, there may be heightened pressure

to do this. Because of their controversial nature, news stories about political scandal most likely receive more scrutiny than other stories. And, journalists, being aware of this, most likely go out of their way to present a balance of sources and opinion.

Whether a race was for a congressional district had a significant impact on valence and source diversity. This means that congressional districts were more likely than State House districts to receive a diversity of coverage along these dimensions. State Senate races, however, were not significantly different from State House races in the diversity of coverage they received.

The final column of Table 4 shows results from an analysis of the diversity of editorial endorsements. A logistic regression analysis, or logit, was performed to measure the impact of marketplace competition on the likelihood that a district would receive competing editorial endorsements. Logit is a method for examining relationships among variables when the dependent variable is dichotomous.

The coefficients for this equation also show little impact of market competition. This should be of little surprise to those familiar with the process of endorsing candidates. Newspaper editorial board members do not routinely consider whom their competitor will endorse in reaching their decision. Rather, they consider their paper's own ideological position, which varies in explicitness from paper to paper. In the Chicago market, when endorsements were offered, newspapers were

much more likely to endorse the same candidates. Of the 104 political jurisdictions studied here, only 14 received differing editorial endorsements. Campaign competitiveness, however, was once again the most influential predictor. Apparently, newspapers are more likely to endorse different candidates, thus giving voters competing points of view, when a race is a close one.

It is important to note that a large amount of variance in the content measures is left unexplained by the dependent variables included in all of the regression analyses reported here. For each regression except the logit regression, the adjusted R-square is a measure of the fraction of the variance in the dependent variable explained by variance in the independent variables. The equation with the highest explanatory power is that for diversity of valence, with an adjusted R-square of .56. The equation for the amount of scandal coverage is lowest, with an adjusted R-square of .11.

As mentioned above, R-square is an inappropriate statistic to use with logit regression. Instead, the final column of Table 4 reports the "percent predicted correctly" by the logit equation. This is a measure of the percentage of cases for which the logit model accurately predicted the value of the dependent variable.

To gauge the extent to which the model improves our ability to predict outcomes, the percent predicted correctly by the logit model can be compared to the percentage of cases in the modal category of the

dependent variable. This test assumes that, without a logit model, one's best guess as to the value of a particular case on the dependent variable would be that category containing the most cases. A logit model's predictive value can be thought of as the extent to which it improves our ability to predict outcomes beyond that of merely assigning all cases to the modal category.

For these data, the modal category of the dependent variable is 0 representing no diversity of editorial endorsements. This category contains 87% of the cases. The logit model predicts 90% of the cases correctly for an improvement of three percentage points. This degree of improvement may seem unimpressive. However, it is important to note that the modal category contains a large majority of cases leaving very limited "room for improvement" by the model. Therefore, this statistic may somewhat understate the predictive contribution of the model.

The range of explanatory power of the regressions reported here is consistent with previous studies using quantitative methods to explain news coverage (see for example Entman, 1989). The unexplained variance may reflect a situation in which news coverage is largely driven by decisions and judgments of news professionals that are difficult if not impossible to quantify. While measurable aspects of economics and politics clearly drive a portion of the production of news, the judgments of editors and reporters contribute perhaps more.

The unexplained variance does not complicate the findings concerning market competition. Competition did have a moderate impact on the amount of policy coverage and on the diversity of sources. It was not strongly related to any of the other measures of content studied here. Therefore, these data suggest that marketplace competition does indeed enhance at least some aspects of the political information produced by newspapers.

The influence of competition among newspapers was overshadowed, however, by the influence of competition among the candidates for office themselves. The most consistent and often most influential predictor of all of the aspects of coverage studied here was campaign competitiveness. The closer a political contest, it seems, the more coverage--of all types--it receives. And that coverage tends to be more diverse for close contests than for lopsided ones.

Also having a great deal of influence in most equations was whether a race was for a congressional seat. Congressional districts, the largest included in the study, received significantly more coverage and more diverse coverage than State House districts. And in some equations, though not all, State Senate districts received more coverage than races for the State House. This suggests a relationship between the size of political jurisdictions and attention paid by news organizations. The larger the district, it seems, the more and more diverse coverage it is likely to receive.

To summarize, this analysis finds only moderate support for the hypothesis that market competition enhances the amount and diversity of political information. The degree of market competition was found to significantly influence only two of the content variables included in the analysis. And while important, its impact was overshadowed by other variables. However, these findings should not be taken as evidence that economic pressures exert little or no influence on the production of political information by news firms, as some scholars have argued. Indeed, those variables other than marketplace competition that were found to be influential determinants of political news content can be explained in economic terms.

It is no surprise that horse race coverage is closely related to the competitiveness of a campaign. A close race lends itself well to the horse race frame. Thus, we would expect close races to receive more horse race coverage than lopsided ones. In the latter, there is no horse race to cover. But what is surprising is that campaign competitiveness is related to other aspects of coverage, such as the amount of policy coverage. One would think that the amount of policy coverage would have little to do with the competitiveness of political contests.

An answer may exist in the economic pressures influencing news firms, however. Campaign competitiveness was found to exert a strong influence on the overall amount of coverage by newspapers. As discussed earlier, competitive campaigns most likely attract the attention

of journalists in large part because they make good stories. They are inherently dramatic and exciting to follow. But once news organizations make the decision to devote resources to covering a particular race because of its competitiveness, it becomes easier for that organization to collect information about the other aspects of the race. Once reporters are assigned and space allocated to a particular race, it takes relatively little--if any at all--additional resources to report and publish information about aspects of the race not related to its competitiveness. These aspects may include the policy positions of the candidates.

As has been discussed earlier, many scholars and journalists have noted a rise in horse race coverage in recent years. These scholars have argued that this has happened at the expense of other forms of coverage, such as coverage of policy positions, which are more important for democratic decision-making (Patterson, 1993). That is to say, horse race coverage is seen as being inversely related to policy coverage. But the fact that the data studied here show that a primary driver of horse race coverage, campaign competitiveness, also is a primary driver of policy coverage casts doubt on this conclusion. In fact, a correlation of the amount of horse race coverage and the amount of policy coverage suggest the two aren't inversely related at all. In fact, they show a moderate positive correlation of .54. The correlation between horse race coverage and coverage of candidates' personal lives is even greater, at .92. These correlations suggest that horse race coverage is not at all

inversely related to other forms of coverage that many media scholars argue are necessary for an informed electorate.

The relationship between district size and coverage also can be explained by economics. As was discussed earlier, it has been hypothesized that newspapers present news and information about geographic areas that correspond to their circulation zones. Such a relationship has been found between television broadcast areas and the political districts they cover. Congressional districts, the largest political jurisdictions included in this analysis, also hold the largest number of potential readers for newspapers. Therefore, it is not surprising that the dailies in the Chicago metropolitan area published more material on average about congressional districts than about state legislative districts.

These data suggest, then, that the relationship between economics and information may not be as simple as suggested by current assumptions about market competition and political information. Economic pressures may instead work more indirectly, influencing how news firms allocate resources in covering electoral politics and determining what areas of the political landscape on which to focus.

Conclusion

The findings of this study have implications for scholars studying media, politics and economics as well as policy makers shouldered with the responsibility of regulating the nation's communications system. This analysis began with a review of the debate between proponents of a free-market media system and their critics. Proponents contend that a competitive media marketplace is sufficient for achieving not only economic efficiency goals in media industries, but First Amendment goals thought to be crucial to a properly-functioning democracy. But critics argue that a competitive media marketplace may do little to improve the quality of political information produced by the mainstream media, and, in fact, may reduce that quality.

This study set out to bring empirical evidence to bear on this debate with a detailed analysis of newspaper coverage of electoral politics. While the question of market competition and newspaper content has been studied before, previous research has been limited by a failure to measure content in ways directly relevant to First Amendment concerns and account for changes in media market structure. This study attempted to overcome those limitations and provide a direct test of the assumed relationship between market competition and political information.

This analysis presented findings suggesting that competing newspapers provide very different mixes of political and non-political

news in order to appeal to distinct reader groups. They also differentiate according to the levels of politics they do cover, with smaller papers focusing on local political jurisdictions and larger papers emphasizing national politics. This type of product differentiation, encouraged by the current multi-layered structure of large, urban newspaper markets, could keep newspapers from providing readers with different opinions and information on some political contests. But content data on patterns of coverage of the newspapers in the Chicago market indicated that large and small dailies do indeed compete head-to-head in coverage of local news, leaving open the possibility that divergent opinions and information could be offered to readers.

To provide a more direct test of the assumed relationship between competition and political information, a number of newspaper content measures, including several measures of diversity, were developed and analyzed using regression analysis. The analysis estimated the independent impact of market competition on the various measures of content, controlling for a number of other factors. Competition was found to have a significant impact on only a few of the measures used in the analysis.

In short, the data and empirical analyses presented here show a moderate relationship between marketplace competition and aspects of media content that represent key First Amendment requirements. But this relationship is overshadowed by the influence of other factors,

suggesting that the healing powers of market competition may be exaggerated. If true reform is needed, the data reported here suggest that merely ensuring competitive media markets may have only minimal impact. Improving the level of political news and information produced by mainstream media organizations, rather, may involve much more than simple antitrust-type public policy.

Regulatory reform is one option. Because of First Amendment fears, direct government regulation of media content is seldom recommended. The more viable solution is for government to subsidize high quality public affairs information. Such subsidies could be directed toward private news organizations who meet certain publicly determined standards, or through an expansion of government run media, such as the Public Broadcasting Service. However, in this era of constrained public budgets the prospect of government subsidies large enough to dramatically improve political information is unlikely.

Another option is reform by news professionals themselves. Most journalists agree that political news coverage could be improved. Most agree that "horse race" coverage is overemphasized, especially in national campaign coverage, and that coverage of policy issues could be enhanced. However, most also realize that individual journalists, and even individual news organizations, are hamstrung by the current media system and cannot dramatically change their way of doing things without jeopardizing their economic viability. But an organization of the

industry's most influential players that evaluates political news coverage and sets standards could be a meaningful start.

Finally, it is likely that supply-side solutions will fail without addressing the demand side of the equation as well. Scholars have repeatedly found disturbingly low levels of political interest and knowledge in the American public. News organizations can not be expected to increase the amount and sophistication of the information they provide before an audience for this information exists. And they cannot be expected to alone "lead" the public to a new, higher level of political sophistication and involvement.

Any efforts to improve the quality of political information from the supply side must be accompanied by efforts to improve citizenship. An enhanced civics component to public education as well as individual public information campaigns geared toward creating excitement over citizenship are possible solutions that fall into this category.

Of course, more studies like this one are needed to determine whether these findings are specific to one market and one electoral season. However, there is no reason to believe that the general election of 1994 and the Chicago metropolitan newspaper market are significantly different from election campaigns and newspaper markets in other urban areas around the country. No theory of economics or of journalistic practice suggests that newspapers in Chicago would respond

differently to the pressures of competition than newspapers in other markets around the country.

New research should build upon the aspects of this study that make it unique in the literature on economics and political communication. Those aspects include more detailed content measures of key First Amendment concepts such as diversity. As mentioned earlier, most analyses employ content measures that are too broad or that have no direct relevance to First Amendment issues. This study developed measures that more validly tap First Amendment concepts. But these measures are by no means perfect or exhaustive.

The measures developed in future research should be accompanied by theoretical debate over the desired nature of political information for democracy. As was discussed earlier in this study, there exists widespread disagreement about the current quality of political information in America. Some critics characterize the information about politics produced by the mainstream media as shallow, homogenous and damaging to the political system. Supporters of the current media system, on the other hand, characterize the system as possessing a diversity of publications, channels and programs providing more and better information about matters of public importance than has ever been provided before.

To evaluate the current state of political information, it is necessary to tease out the informational requirements suggested by various models

of democracy and build operational definitions from them. This study attempted to do this with key concepts from First Amendment theory rooted in a Madisonian or deliberative form of democracy. But there are other forms of democratic theory, such as direct, communitarian, and rational self-interest. The purpose of this research agenda would not be to develop the “correct” definition of “quality” political information. It is unlikely that a single definition would ever gain widespread acceptance given that debate continues over the most appropriate form of democracy. Instead, it would be to examine the informational requirements of various forms of democracy and their unique relationship to economic pressures.

A second characteristic of future research should be to employ more accurate measures of market competition. This study used more sensitive measures of economic competition than usually found in the literature. And it accounted for recent changes in newspaper market structure that have changed the way firms compete. Simple dichotomous operationalizations of direct newspaper competition do not capture the varied ways competition occurs in modern media markets, nor do they capture differences in the degree of market competition. Future research must incorporate a sophisticated understanding of media economics in both theory and measurement.

Finally, research of this nature should be conducted across media. While media industries share certain production aspects, they are

generally not considered to be product substitutes and have different strengths and weaknesses. It is reasonable to assume, then, that different production factors may weigh more heavily for different media.

In general, future research in this area should strive to bring together economic and non-economic perspectives in order to arrive at truly meaningful conclusions. Therefore, it is hoped that this study not only contributes to current knowledge about the relationship between economics and political information, but also serves as a useful example of a research project that successfully combines economic and non-economic approaches to the study of political communications.

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Appendix A
Methodology

Content analysis

Content data were collected from all nine daily newspapers in the Chicago metropolitan area. From October 9 to November 9, 1994, all local, state and national news stories, editorials, columns and letters to the editor appearing in the main news and opinion sections or any special sections focusing on the fall election were coded. For papers publishing multiple editions each day, all editions were coded. Thus, coverage totals reported in this study include the amount of coverage -- and various types of coverage -- appearing across all editions of a paper. It should be noted that since zoned editions are designed to reach different readers, the coverage amount statistics reported in this study are not the amount of election coverage the average reader would be exposed to during the campaign. Rather, the numbers reflect the total amount of coverage published by each paper.

For example, the *Chicago Tribune* publishes several zoned editions, each with different news content tailored to a specific geographic area. All of the *Tribune's* editions were searched for election stories. Thus, all stories about the fall election published by a paper were sure to be included in the analysis. Many studies of newspaper content focus only on a paper's central city edition. But these studies miss any zoned coverage appearing in other editions.

Newspapers do frequently publish the same story in multiple zoned editions. Stories that were published in more than one edition were only coded once. Also, newspapers sometimes publish slightly different versions of stories in different editions. For instance, a story that is more relevant to readers in one zone than in another may appear in slightly different form. The version appearing in a circulation zone where the information is most relevant may be longer, containing more information, or be placed on a more prominent page. Whenever this occurred, the longest, most prominently-played version of the story was chosen for analysis.

Election stories were defined as any story mentioning a candidate for office in the fall election or a political office or district up for election; or any story which in general discusses the fall election. One coder identified the election stories appearing in the nine newspapers. Another coder then independently coded stories as election or non-election from a sample of three editions of each newspaper. This resulted in more than 100 stories for each paper that were coded for reliability.

Intercoder reliability for the content variables used in the analysis was determined in similar fashion. One researcher coded all election stories according to the coding instructions found in Appendix B. A second coder then coded a systematic sample of at least 50 paragraphs from each newspaper. Intercoder reliability was calculated using coefficient kappa. This statistic provides a more stringent test of

intercoder reliability than a simple proportion of agreement because it subtracts out agreement by chance (Brennan & Prediger, 1981). Thus, the statistic provides a more reliable estimate of the actual agreement of the coders. The mathematical notation for coefficient kappa is:

$$k = (\sum P_{ij} - 1/n) / (1 - 1/n)$$

where P_{ij} is the proportion of agreement or "hit rate," and n is the number of categories into which units of analysis are classified. Thus, $1/n$ represents agreement expected by chance. Reliability statistics for each variable in the analysis appear below. Kappas for each variable used in the analysis as well as for the selection of election stories appear in the table below.

There is no "ideal" level of intercoder reliability for content analysis. The statistics reported above are consistent with those of published content analyses in the field. It is my position that interpreting intercoder reliability statistics as measures of the "correct" interpretation of a text are misguided. First, arguing that any text has a single interpretation and that low intercoder reliability means that the researcher has failed to define it correctly fails to recognize the fact that many texts are open to interpretation.

Intercoder Reliability

Election Story	96
District Type.....	99
Source	87

Coverage Type

Horse Race	76
Policy.....	87
Personal.....	82
Scandal.....	91
Neutral.....	93

Valence

Pro Democrat.....	95
Con Democrat	91
Pro Republican.....	95
Con Republican.....	93
Neutral.....	80

Also, high intercoder reliability scores are as much a product of the degree of "training" or "instruction" coders are given as they are an indication of how well "true" meaning has been captured. Given enough time and replication, coders can eventually agree on a consistent interpretation of a text. But this does not mean that their final interpretation is more "correct" than the ones that preceded it.

For this project, the second coder was given little instruction beyond a quick review of the coding instructions and clarification of variable definitions before coding began. This way, reliability scores more closely reflect the honest agreement between independent coders rather than the results of an extended program of "training." Since the second coder was used only for the calculation of reliability, no method of

solving disputes was necessary. All data used in the analysis are the product of coding by the researcher.

It is my opinion that much more important than agreement among coders is the construct validity of the content variables being measured. For this reason, I have included the actual coding instructions used in this analysis. Readers are encouraged to scrutinize how key concepts are defined and operationalized.

Index of diversity

The “index of diversity” used here is taken from Bohmstedt and Knoke (1988). The mathematical notation for the statistic is:

$$D = (1 - \sum p_i^2)$$

where p_i is the proportion of cases in the i th category.

Hirschman-Herfindahl Index

The HHI is a common measure of market concentration. The mathematical notation for the HHI is:

$$HHI = [\sum (p_i \cdot 100)^2]$$

where p_i is the percentage of market share of the i th firm in the market. The HHI ranges from 0, representing perfect competition, to 10,000, in which one firm holds all market share. For this study, average daily circulation was used as the measure of market share.

Appendix B
Coding Instructions

1. Paragraph ID Number Digit 1--Newspaper code:

1. Chicago Tribune
2. Chicago Sun-Times
3. Arlington Heights Daily Herald
4. Daily Southtown
5. Northwest Herald
6. News-Sun
7. Courier-News
8. Beacon-News
9. Herald-News

Digit 2, 3, 4--Date (1=October; 2=November)

Digit 5, 6, 7, 8--Chronological paragraph number for date

2. Paragraph placement

1. Front page
 2. Other section front
 3. Inside page, non-editorial
 4. Editorial page
3. Election type: Paragraphs mentioning the name of candidates or the specific district of a race, or paragraphs included in stories that are clearly about a specific race. Exceptions to this are noted below. If a

paragraph cues more than one race, that paragraph should be coded as a separate unit of analysis for each race mentioned. 1. U.S.

Congress

2. State Senate

3. State House

(Note: Paragraphs mentioning Rep. Michael Madigan or Sen. Lee Daniels in their roles as legislative leaders, rather than their specific re-election campaigns, or in the context of partisan gains/losses in state government, are coded as "Other Statewide.")

4. Gubernatorial

5. Other Statewide

Includes the following:

- Paragraphs on statewide offices such as Secretary of State, Comptroller, Attorney General and State University Boards
- Paragraphs on statewide referendums (Be careful. There are also local referendums on the ballot)
- Paragraphs on partisan gains/losses in state government
- Paragraphs on Illinois state house, senate, and congressional districts not in the Chicago metropolitan area
- Paragraphs on statewide voter turnout, apathy, trends or election-related human interest paragraphs

6. Other National

Includes the following:

- Paragraphs on any local, state or federal race outside the state of Illinois
- Paragraphs on partisan gains/losses at the federal level
- Paragraphs on national voter turnout, apathy, trends or human election-related interest paragraphs

7. Local

Includes the following:

- Paragraphs on local election campaigns such as county boards or other county offices, school boards, city offices, judgeships, etc.
- Paragraphs on local referendums
- Paragraphs mentioning state legislative races in the Chicago metropolitan area but that do not specify districts (ex. "Five legislative candidates expressed their opinions on a range of issues at the forum.")
- Paragraphs on voter turnout, apathy, trends or human election-related interest Paragraphs that focus on a single city or county in the Chicago metropolitan area

0. Other

Includes the following:

- Paragraphs on voter mood, apathy, turnout that is not specific to a local, state, or national area
- Paragraphs on negative campaigning or campaign tactics that do not mention specific races or levels of politics

FOR U.S. CONGRESS AND STATE LEGISLATIVE RACES ONLY**4. District Number****5. Frame:**

1. Horse race: Paragraph mentions any of the following:
 - who is winning/losing a race
 - poll results
 - campaign expenditures or receipts
 - references to or examples of campaign strategy, especially examples of negative campaigning that are not coded as "scandal;" also, discussion of campaign mailings and advertisements that do not focus on policy.
 - explanations of the causes of electoral outcomes
 - non-policy discussions of debates or plans for debates
2. Policy position: Paragraph mentions any of the following:
 - a candidate's position on a policy issue or description of a policy issue
 - a candidate's ideological position, such as "conservative Republican"
 - whether a candidate has addressed "the issues" in general
3. Personality: Paragraph mentions any of the following:
 - a candidate's personal history, political or professional experience or family life
 - anecdotes illustrating personal characteristics

- general descriptions of a candidate's personal characteristics

4. Scandal: Paragraph mentions any of the following:

- indictments or charges of illegal activity
- charges of misuse of public funds or abuse of power
- accusations or actual charges of campaign spending violations
- accusations of prejudice against minorities

5. Neutral: Paragraph does not clearly cue any of the frames above

6. Valence: Code only those paragraphs that seem clearly Positive or Negative about a candidate or a candidate's behavior or action,

according to the following guidelines:

- the paragraph includes adjectives and/or adverbs that explicitly describe a candidate or his/her action as negative or positive
- paragraphs endorsing a candidate receive a positive code; however, lack of an endorsement, unless accompanied by negative language, does not receive a negative code
- mentions of indictments or official charges receive a negative code
- mentions of a candidate losing an election or being behind in the polls does not merit a negative code unless accompanied by language that attributes the loss to candidate incompetence or poor strategy.
- attacks by one candidate against another that are clearly intended to be negative, such as he is a "member of the radical right wing;" or

statements that are intended to be positive, such as a candidate listing his/her own policy achievements.

Valence code categories:

1. Pro Democrat
2. Con Democrat
3. Pro Republican
4. Con Republican
5. Pro Independent/Third Party
6. Con Independent/Third Party
7. Neutral/Not-Applicable

7. Sources quoted or attributed include any statement or phrase appearing in quotation marks for which the speaker is clearly identified, or any statement or phrase not in quotation marks but which is clearly attributed to a source other than the writer of the story.

Source categories are:

1. Candidate
2. Campaign spokesperson, literature or advertising
3. Citizen: In a letter to the editor, all paragraphs not attributed to someone else are to be attributed to the writer as "citizen" unless the writer is identified as a member of an interest group, political party, etc.

4. Interest group: Can be a political interest group, public advocacy group, business group, or any other organization attempting to influence electoral or policy outcomes; paragraphs can be attributed to individual group members or to groups in general such as "according to the Sierra Club report . . ."
5. Political party representative
6. Political Expert (Includes political commentators or experts, pollsters, analysts, and journalists). In an opinion column, all paragraphs not attributed to someone else are attributed to the columnist
7. Other politician, government official or former government official
8. Other (describe)
9. Election official

