Red Herrings: A Model of Attention-Hijacking by Politicians

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The Model

Incumbent $i$:  
- **Type** (private information): $\nu$  
1. Quality: **Bad** with $Pr = \pi$  
2. Preference for tale-telling: **Newsmaker** with $Pr = \mu$  

**Action**: Send tale or not ($T_i \in \{0, 1\}$)  
$$U_i = \begin{cases} V + BT_i & \text{if } i = \text{newsmaker} \\ V - CT_i & \text{otherwise} \end{cases}$$

Media:  
- If $i = \text{bad}$, detects a scandal  
- If $T_i = 1$, detects the tale with $Pr = q$ (the “media attention to tales”)  
- Covers stories $S_m$: covers all scandals and tales it detects

Voter $v$:  
- **Bayesian**  
- **Inattentive**: When $S_m = \{S,T\}$, sees only the tale with $Pr = H$  
  ($=\text{scandal crowded-out}$)  
- **Action**: Re-elect the incumbent or not ($V \in \{0, 1\}$)  
  $$U_v = V1\{i = \text{good}\} - (1 - V)1\{o = \text{good}\}$$
  where $o = \text{opponent}$

→ **Mechanism**: If bad incumbents AND good newsmakers BOTH send tales...  
⇒ the voter may fail to recognize red herrings

Main Results

1. **Multiple Equilibria**:  
   - For intermediate media attention to tales ($q$), good and bad PBEs co-exist  
   
   → **Mechanism**: Self-fulfilling “social norm of tale-telling” (= share of good politicians who engage in tale-telling)

2. **Media Attention to Tales ($q$) has a Non-Monotinous Welfare Effect**:  
   1. Initially, $q$ worsens screening: Red herrings are more likely to crowd-out scandals  
   2. Yet, high $q$ may guarantee first-best screening!  

   → **Mechanism**: Good newsmakers are disciplined and refrain from tale-telling → possible to tell good and bad politicians apart  
   - Tale-telling = electorally costly for good newsmakers if the voter is suspicious of tales  
   - This cost increases in $q$... while bad incumbents’ return to tale-telling increases in $q$  
   - When $\mu < H$, (i.e. few newsmakers / high inattention):  
     - The voter is suspicious of tales... unless good newsmakers engage in tale-telling more frequently than bad non-newsmakers...  
     - …Impossible for $q$ high!