

# It's Not Who You Are, It's Who You Know: Political Connections and Media Capture

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## **Abstract**

Are independent media captured in democratic countries? I address this question by looking at the news coverage of a sample of US firms between 2002 and 2010. More precisely, I focus on news about environmental, social or human rights practices of these firms. Such news are mainly covered by advocacy Non-Governmental Organizations (NGOs). These advocacy groups vary widely in their sources of revenue. Notably, some of them receive government grants, which are likely to present a chance for governments to capture these NGOs. Using a unique data set of news posted on NGOs' websites, I find that advocacy groups receiving grants from the US government cover less firms that have connections with the US Congress. Exploiting exogenous variations in grants allocation, instrumental variable estimators report a media capture that is statistically and economically, significant, and driven by political connections.