

# Big Data and Democracy\*

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## Abstract

Recent technological developments have raised concerns about threats to democracy because of their potential to distort election outcomes: (a) data-driven voter research enabling political microtargeting, and (b) growing news consumption via social media and news aggregators that obfuscate the origin of news items, leading to voters' unawareness about a news sender's identity. We provide a theoretical framework in which we can analyze the effects that microtargeting by political interest groups and unawareness have on election outcomes in comparison to “conventional” news reporting. We show which voter groups suffer from which technological development, (a) or (b). While both microtargeting and unawareness have negative effects on voter welfare, we show that only unawareness can flip an election. Our model framework allows the theory-based discussion of policy proposals, such as to ban microtargeting or to require news platforms to signal the political orientation of a news item's originator.

**Keywords:** disinformation, interest groups, news platforms, microtargeting, voter awareness.

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