Tradeoffs in Automated Political Advertising Regulation: Evidence from the COVID-19 pandemic

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Abstract
Digital platforms have experienced pressure to restrict and regulate political advertising content. This paper presents evidence of unintended consequences of restrictions on political ads related to the COVID-19 pandemic. We use data on more than 300,000 ads from nearly 7,000 different advertisers from early 2020. We show that algorithmic determination of what may be a political ad because it relates to an issue of “national importance” in elections, leads COVID-19-related ads to be disqualified because they don’t run with the appropriate disclaimer. Our results show that ads placed by governmental organizations aimed at informing the population about COVID-19 are especially likely to be banned compared to COVID-19 ads posted by non-governmental organizations. We suggest this means that even governmental organizations are less likely to recognize that COVID-19 content is a matter of national significance and therefore needs a disclaimer. Our results suggest that in general, most parties within the political advertising space have difficulty determining what might be a political ad needing special qualifications and disclaimers, especially in the context of national emergencies.

Keywords: Algorithmic Decision-Making, Ad Bans, Political Ads, COVID-19

JEL Codes: M3

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