

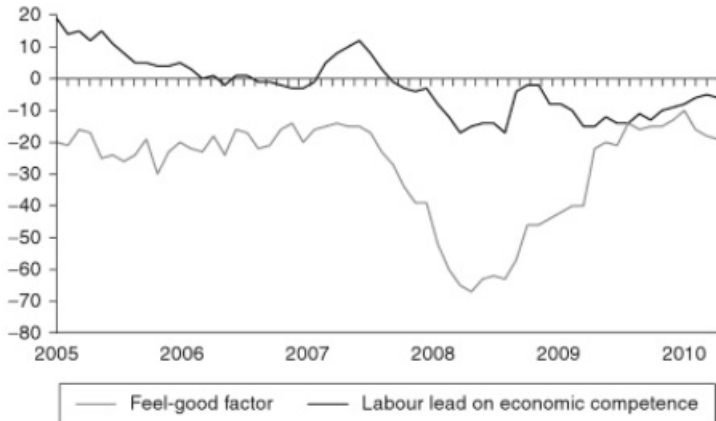
# The News Media and Voter Responses to the Financial Crisis in Britain

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## The British Labour party and the economy, 2005–2010



Source: YouGov; Allen and Bartle (2010).

## Seven years after the financial crisis. . .

*“The Labour Party . . . are single handedly responsible for the biggest collapse in our banking system in the postwar period.”*

— Nick Clegg, Deputy PM and Lib Dem leader, 2014.

## Gordon Brown

*“Of course, when the house is on fire, as it was a few days ago when the banking system was near collapse, then we supported the Government. . . But then you are entitled to ask who built the house, who allowed it to catch fire and how are we going to rebuild the house so it never catches fire again.”*

— Shadow Chancellor George Osborne, referring to Brown.

## Did the news media have a role?

The response came as an audience member put the Labour leader on the spot about whether he believes the last Labour Government "overspent". His answer was unrepentant – New Labour's big spending years were not the problem.

Miliband continued: "I know you may not agree with that, but let me just say very clearly – there are schools that have been rebuilt in our country, there are hospitals that have been rebuilt, there were SureStart centres that were built that wouldn't have happened.

"There was a global financial crisis which caused the deficit to rise. President Obama isn't dealing with a high deficit because we built more schools and hospitals. He is dealing with a deficit because of the global financial crisis."

For the Tories, this is gold dust – proof that the Labour leadership has learnt nothing from the economic crash and further evidence that they cannot be trusted with the recovery.

– The Telegraph, 01 May 2015

Sick of hearing politicians say the global financial crisis was Labour's fault?

Alex Andreou

The coalition's tendency to simplify the past into an easily consumed narrative risks making voters see lies in every version



Nick Clegg at Prime Minister's Questions. In the deputy prime minister's words, 'Labour was the party that

– The Guardian, 17 Mar 2014

## Preview of findings

- ▶ UK voters substantially influenced by newspaper choice in who they blamed for the 2007–8 financial crisis.
  - ▶ Readers of the *Telegraph*, the *Independent* substantially more likely to blame Gordon Brown than similar non-readers.
  - ▶ Readers of the *Sun* substantially less likely to blame US banks than similar non-readers.
- ▶ 2005 L voters who blamed Brown for the crisis were much less likely to vote L in 2010.

# Data & Methodology

# Empirical Strategy I

Challenges in identifying 'true' media persuasion effects:

1. Individuals may choose a media outlet  $\because$  they prefer its political slant.
2. Media outlets may adapt their slant to reader preferences.

I combine panel data with an instrumental variables approach to address these concerns.



## Empirical Strategy II

- ▶ Panel of 1,447 respondents from British Election Panel Study, 2005–2010.
- ▶ In 2009, respondents were asked who they thought was responsible for the “current financial crisis”.
  - ▶ Twelve available options, inc. Brown.
- ▶ Instrument for 2009 news exposure with 2005 news exposure.
- ▶ Other controls: 2005 vote choice, education, income, age, gender, region, union membership, ethnicity, self-reported political attention.
- ▶ Preferred specification: logit model estimated by 2SRI.

# Results

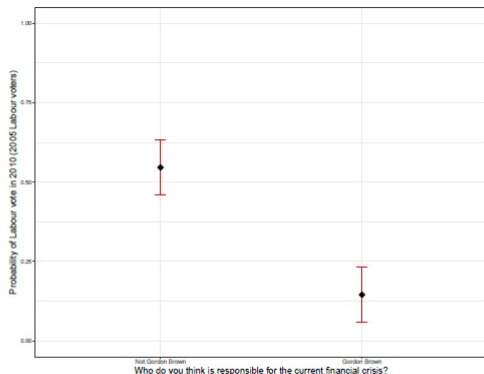
# Results I

Table 3: Who Blamed Brown for the 2007–8 Financial Crisis?

	Odds Ratio	2.5 %	97.5 %
Read the <i>Sun</i>	1.848	0.788	4.334
Read the <i>Daily Mail</i>	1.427	0.638	3.191
Read the <i>Telegraph</i>	2.887	1.293	6.501
Read the <i>Guardian</i>	0.677	0.215	1.956
Read the <i>Daily Express</i>	2.629	0.699	9.874
Read the <i>Daily Mirror</i>	0.258	0.071	0.858
Read the <i>Times</i>	2.391	0.783	7.223
Read the <i>Independent</i>	23.903	1.475	365.350
Read other paper	1.711	0.483	5.922

## Results II

Figure 2: Economic Voting in Britain after the 2008 Financial Crisis



Note: This figure allows us to compare the predicted probability of a Labour vote in 2010 for an individual who believed Gordon Brown responsible for the ongoing financial crisis with an individual who did not. Predicted probabilities were generated based on coefficient estimates from Model (2) in Table 4. Values for other variables were chosen to generate a voter with the following profile: White, middle-income, male residing in England, aged above 60, not a union member, with median political interest, and voted Labour in 2005.

# Conclusion

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- ▶ News media coverage had substantial effect on voter attribution of blame after the financial crisis.
- ▶ Likely impacted Labour's vote share in 2010.
- ▶ Corroborates other research identifying mass media effects on public opinion and vote choice (e.g. Ladd and Lenz 2009, Barnes and Hicks 2018).
- ▶ Suggests media influence mb larger on issues more demanding of voter knowledge, expertise.