

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

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## Abstract

How does news media coverage influence voters' interpretation of political developments – and could this be of electoral significance? I use data from the 2005–10 British Election Panel Study to investigate the effect of newspaper readership on British voters' attribution of responsibility for the 2008 financial crisis. Using an instrumental variables approach, I show that the news media had a substantial effect on British voters' understanding of the events of 2008 and onwards. My estimates suggest that regular readers of the right-wing broadsheet, the *Telegraph*, and also the left-wing broadsheet, the *Independent*, were substantially more likely to believe Brown was to blame for the financial crisis than similar individuals who did not read a daily newspaper. I show, further, that 2005 Labour voters were substantially less likely to vote Labour again in 2010 if they believed Brown responsible for the ongoing financial crisis. This study corroborates earlier work documenting the persuasive power of the news media, especially in Britain, and presents evidence for one channel through which editorial choices may influence electoral outcomes.

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*‘But by repeating ad infinitum the myth—lie, even—that government overspending caused economic disaster, the Tories succeeded in rewriting history as well as provoking their opponents into pulling chunks of their hair out.’*  
— Owen Jones in *The Guardian*, 10.13.2015.

## 1 Introduction

In October 2008—about a year after the first run on a British bank in more than a century—opposition party leader David Cameron asserted that the ongoing financial crisis was a direct consequence of decisions made by then Labour prime minister, and former Chancellor of the Exchequer, Gordon Brown. “The economic assumptions that Gordon Brown made in the last decade now lie in ruins,” declared Cameron – singling out Brown’s policy of spending and borrowing “without restraint” for particular criticism. Separately, in an interview with BBC Radio 4, shadow chancellor George Osborne described the British economy as a “house...on fire” – casting Gordon Brown in the part of chief arsonist.<sup>1</sup> The economic and political origins of the of the 2007–2008 global financial crisis are undoubtedly complex, and the subject of ongoing study and debate among commentators and academic economists.<sup>2</sup> Yet, the charge that the Labour government’s policies leading up to the 2007–2008 crash, and its subsequent response, was responsible for the financial crisis appears to have been insidiously effective. Between September 2007 and June 2008, the Labour party’s advantage over the Conservatives on managing the economy had shrunk from a lead of +25% to a deficit of –9%, and remained in deficit throughout the next parliamentary term.<sup>3</sup> This paper applies an instrumental variables approach to observational data in order to examine the role played by British newspapers in increasing the potency of this particular charge.

In doing so, this paper contributes towards a live debate among researchers on the persuasive power of the mass media. Early studies concluded that their influence on vote choice was minimal, and that media exposure during a campaign only served to reinforce individuals’ prior

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<sup>1</sup>Both quoted in ‘Financial crisis: David Cameron blames Gordon Brown for Britain’s ‘broken economy’, in *The Telegraph*, 17 October 2008 (last accessed 18 June 2017).

<sup>2</sup>Post-crisis economists have advanced two classes of explanations for the financial crisis that endangered much of the global economy from 2008 onwards: market and regulatory failures, and a macroeconomic environment of cheap credit in the years leading up to the crisis (Helleiner 2011). Some critics of Gordon Brown argue that Labour’s policy of ‘light-touch regulation’ of the financial sector during his term as Chancellor made the UK especially vulnerable to a global financial crisis. Others—including senior figures within the Conservative party—allege that the scale of government borrowing proposed by Labour before and after the crisis threatened the British economy, and especially the recovery. Labour supporters have countered that the size of the deficit was less than 2% of GDP at the time of the crisis, only ballooning subsequently, and that the financial crisis in Britain was the result of British banks’ exposure to questionable financial products from abroad.

<sup>3</sup>Calculations based on data collected by UK polling firm IPSOS-MORI, accessible here.

political views (Lazarsfeld, Berelson and Gaudet 1944; Berelson, Lazarsfeld and McPhee 1954) – a consensus that then remained dominant within social science research for decades (Vigna and Gentzkow 2009). However, more recently, a number of studies have reached more mixed conclusions regarding the impact of political coverage on vote choice (DellaVigna and Kaplan 2007; Gerber, Karlan and Bergan 2009; Chiang and Knight 2011; Durante and Knight 2012) – even when we restrict our attention to research focused on the British case (Curtice 1997; Newton and Brynin 2001; Ladd and Lenz 2009; Brandenburg and Egmond 2012; Reeves, McKee and Stuckler 2016). For instance, Curtice (1997) leverages within-paper variation in slant between 1992 and 1997 among the predominantly right-leaning British press to argue that newspapers had little influence on either voter opinions or election outcomes. On the other hand, (Ladd and Lenz 2009) exploit a ‘rare shift’ in the the editorial stance of the *Sun* in favour of the Labour party—traditionally a paper which backed the Conservative party—and, by doing so, identify a substantial effect of newspaper endorsements on vote choice.

In this paper, I return to this question using panel data from the British Election Panel Study between 2005 and 2010. The availability of a survey which re-interviewed the same panelists over this crucial period allows me to tackle some of the most significant challenges facing studies of media persuasion: the problem of self-selection by individuals into media outlets that share their political views, and the possibility that media outlets may follow, rather than lead, their readers in their framing of an issue. I attempt to address these concerns by instrumenting for an individual’s news exposure following the 2007–2008 crisis using their preferred newspaper circa 2005, and by also controlling for individuals’ past political preferences. My results suggest that voter attribution of blame for the events of 2007–2008 in Britain was substantially influenced by their choice of newspaper. For instance, I find that individuals who were regular readers of the right-wing broadsheet, the *Telegraph*, and also regular readers of the left-wing broadsheet, the *Independent*, were both much more likely to consider Brown responsible for the financial crisis than similar individuals who did not regularly read a newspaper. Moreover, I find that 2005 Labour voters were considerably less likely to vote Labour again in 2010 if they believed Brown responsible for the ongoing financial crisis. These results are in line with existing work suggesting that the mass media may have a significant persuasive influence under the right circumstances – for instance, following an “unexpected” endorsement (Ladd and Lenz 2009; Chiang and Knight 2011), or in a less competitive or less partisan media environment (Enikolopov, Petrova and Zhuravskaya 2011). Following my analyses, I add that the news media might also have more influence on voter opinion when it comes to issues that are more demanding of voters’ knowledge and expertise – such as the causes of financial crises and the appropriate policy responses.

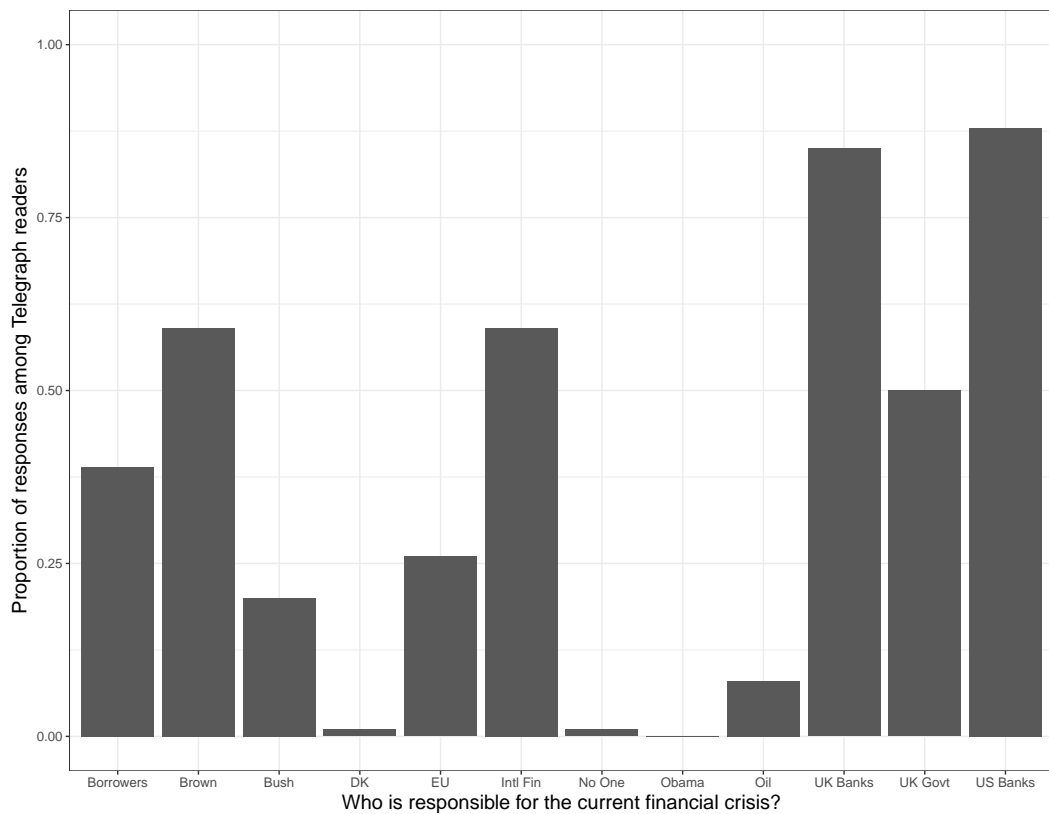
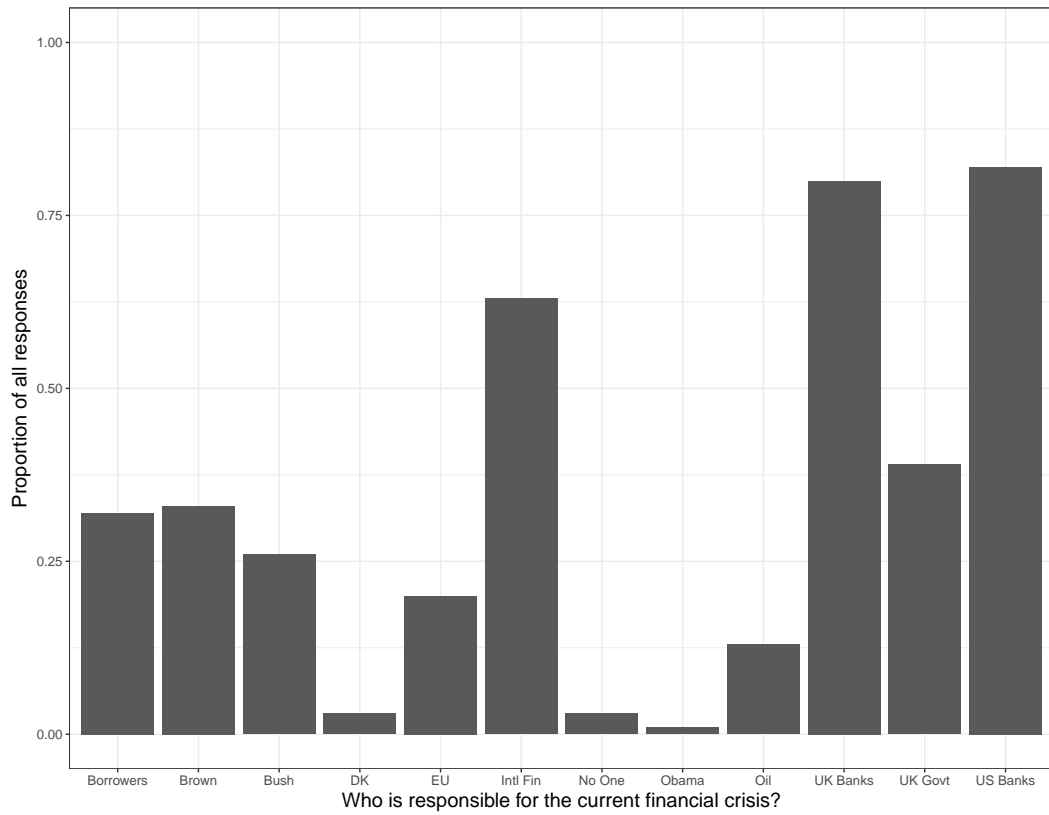
## 2 Data & Methodology

To analyse the effect of newspaper readership on voter responses to the financial crisis of 2007–2008, I use data from the British Election Panel Study 2005–2010, which repeatedly interviewed the same national sample before and after the crisis. I restrict my analysis to those respondents in the sample for the entire duration of the panel, which produces a sample of 1,447 individuals. Figure 1 graphically presents the variation in answers to the question asked of BEPS respondents in 2009: “Who do you think is responsible for the ongoing financial crisis?” Respondents were presented with twelve possible options, and able to select as many of the options as they wished. We see that, within the full sample, 33% of respondents believed Brown was responsible for the financial crisis of 2007–2008. Among respondents who regularly read the right-wing broadsheet, the *Telegraph*, this figure rises to 59% – providing suggestive evidence that an individual’s preferred newspaper may influence how she responds to new political events. To better identify the character and magnitude of any influence, I turn to regression analysis.

The identification of media effects on mass political behaviour poses particular challenges for researchers. Crucially, individuals may choose particular media outlets because they prefer their political slant (Gentzkow and Shapiro 2006) – which creates the appearance of persuasion. Further, media outlets may adopt a particular slant in response to the preferences of their readers, which may also resemble persuasion at a glance. However, in this case, the use of panel data helps us to rule out self-selection to a considerable degree, as we can instrument for news exposure *following* the crisis by using a respondent’s preferred newspaper from before the financial crisis. Ladd and Lenz (2009) point out that the use of panel data does not necessarily alleviate this concern, as if a news outlet maintains a consistent slant throughout a panel survey, those who choose an outlet may do so because they prefer its politics even after controlling for observable characteristics of individuals. Thus, Newton and Brynin (2001)’s finding that Conservative party identifiers were more likely to vote Conservative if they preferred to read Conservative supporting papers, relative to those who preferred Labour supporting papers, is vulnerable to the critique that the latter prefer such papers precisely because their party allegiances are weaker. However, as in Ladd and Lenz (2009)’s analysis, I will go on to argue that bias of this kind is not a particular concern in my case, due to the nature of my findings and the unexpected character of the financial crisis. In order for the exclusion restriction to be violated, one would have to argue that those preferring newspapers like the right-leaning *Telegraph* and the left-leaning *Independent* were *both* more predisposed to blame a Labour prime minister in bad times than individuals preferring *other* right-leaning newspapers, like the *Daily Mail*, the *Daily Express* or the *Sun*.

In order to identify the relationship of interest between newspaper readership and individuals’

Figure 1: Who did British Voters think Responsible for the 2008 Financial Crisis?



attribution of blame following the financial crisis, I estimate the following regression equation:

$$Y_i = \mathbf{X}_i\boldsymbol{\beta} + \mathbf{A}_i\boldsymbol{\gamma} + \epsilon_i \quad (1)$$

where, for each possible option  $j$ ,  $Y_i$  is a binary variable that takes the value 1 if individual  $i$  considers  $j$  to have been responsible for the financial crisis, and 0 otherwise. In the 2009 wave of the British Election Panel Study, respondents were asked if any of ten possible individuals or institutions were responsible for the ongoing financial crisis: Gordon Brown, the British government, American banks, George W. Bush, the European Union, Barack Obama, British banks, people who took out big mortgages, oil companies, or international financiers. Respondents could select as many options as they wished. I do not estimate a regression equation for the response ‘Obama’, as only nine respondents selected this option. This leaves me with nine possible dependent variables.

$\mathbf{X}_i$  is a vector of variables measuring each individual  $i$ ’s news exposure following the crisis, and  $\mathbf{A}_i$  is a vector of control variables. For each newspaper, I assume  $X_i$  is also given by the following equation:

$$X_i = Z_i + \mathbf{A}_i\boldsymbol{\gamma} + u_i \quad (2)$$

where  $Z_i$  takes the value 1 if the individual  $i$  preferred the same newspaper in 2005, two years before the onset of the financial crisis, and 0 otherwise. In other words, in order to address concerns regarding the self-selection of respondents into the media outlets that mirror their views on the 2007–2008 financial crisis, I instrument for individuals’ 2009 news exposure,  $X_i$ , using their news exposure in 2005,  $Z_i$ .

I construct  $\mathbf{X}_i$  based on each individual  $i$ ’s response to the following two questions in the 2009 wave of the BEPS survey:

1. How often do you read a daily morning newspaper?
2. If everyday or sometimes, which daily morning newspaper do you read most often?

As reported in Table 1, 75.7% of respondents read a daily morning newspaper sometimes or everyday. I distinguish between individuals who are regular readers of the following eight newspapers: the *Daily Mirror*, the *Sun*, the *Daily Express*, the *Daily Mail*, the *Telegraph*, the *Guardian*, the *Independent*, the *Times*, and a residual category identifying individuals who are regular readers of the *Financial Times*, the *Aberdeen Press and Journal*, the *Daily Star*, the *Glasgow Herald* and the *Scotsman*. Descriptive statistics regarding the characteristics of each newspaper’s readership are presented in Table 1.

Observe that, in Table 1, the readers of different newspapers vary considerably in their party preferences, with 49.3% of *Daily Mirror* readers having voted for the Labour party in 2005, as compared with 8.4% of *Telegraph* readers. This suggests that the readers of different

Table 1: Newspaper Readership in Britain

<b>Newspaper</b>	2005 Labour Vote (%)	2009 Labour Vote Int. (%)	What Paper Did You Read Most Often? (%)
<b>None</b>	39.9	29.5	24.3
<b>Daily Mirror</b>	66.7	49.3	10.3
<b>Sun</b>	33.5	18.5	11.9
<b>Daily Express</b>	33.8	17.6	4.7
<b>Daily Mail</b>	19.5	13.7	15.5
<b>Telegraph</b>	10.9	8.4	8.2
<b>Guardian</b>	54.7	48.4	6.6
<b>Independent</b>	32.5	17.5	2.8
<b>Times</b>	33.0	23.4	6.5
<b>Other</b>	42.4	30.3	9.1
<b>Total</b>	36.6	26.1	100.0

Note: Readership and voting percentages are from the 2005 pre-campaign wave of the British Election Panel Study. Titles classified as ‘other’ include the Financial Times, the Aberdeen Press and Journal, the Daily Star, the Glasgow Herald and the Scotsman, and the category also included those who indicated no particular newspaper preference.

newspapers may well vary systematically on attributes that are also correlated with their vote choice. For this reason, I control for a whole host of potentially confounding variables (denoted  $\mathbf{A}_i$  in equation (1)). In particular, in all specifications, I control for each individual’s vote choice in 2005, education, income, age, gender, region, union membership, ethnicity, and self-reported level of political attention. With the exception of political attention—only available from 2009—I measure these variables before the financial crisis in order to avoid potential post-treatment bias.<sup>4</sup>

Due to the binary nature of  $Y_i$ , I estimate equation (1) using a logit estimator, and instrument for individuals’ news exposure following the crisis using a two-stage residual inclusion (2SRI) approach. Alongside the two-stage predictor substitution (2SPS) approach, the 2SRI approach is one of the main approaches that have been used to extend the linear two-stage least squares (2SLS) approach to non-linear models (Blundell and Smith 1989; Terza, Basu and Rathouz 2008). Like the 2SLS approach, the 2SPS approach requires that we substitute fitted values from the first-stage regression for the endogenous regressor in the second-stage equation. However, unlike 2SLS, this does not necessarily produce consistent estimates in the non-linear case. In the 2SRI approach, we instead include the first-stage residuals as additional regressors in the second-stage equation, while retaining the endogenous regressors. While 2SPS is more frequently used in a non-linear context, only 2SRI delivers consistent estimates in general. For comparison, I re-estimate my main specifications using 2SLS and 2SPS in Tables 5 and 6, and results of similar substantive and statistical significance (see Appendices A and B).

## 3 Results

### 3.1 Evidence for News Media Effects on Voter Beliefs

Table 2 reports 2SRI estimates for logit models of the effect of newspaper readership on individuals’ attribution of responsibility to different institutions and individuals following the global financial crisis of 2007–2008. Respondents were able to choose among ten possible institutions or individuals, and I model the effect of newspaper readership on voter attribution of blame to each separately. Although the magnitude of the effect of newspaper readership on voters is not directly interpretable from the coefficient estimates in Table 2, we are still able to infer the direction and statistical significance of the effect for each newspaper and each option from the table of results. We can also interpret these coefficient estimates in terms of odds ratios, as

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<sup>4</sup>Unlike in Ladd and Lenz (2009), I do not control for individuals’ parents’ party preference, values, ideology, or ideological moderation, as these were not asked of respondents in this survey. I also do not control for respondents’ prior party identification at this stage, due to the large number of missing values for respondents in my sample. However, I do not believe this is particularly worrying, as we would expect respondents’ long-term party attachments to be highly correlated with their voting history.



reported for Model 1 in Table 3.

It suffices to say that in many instances, I find that newspaper readership has a substantial and statistically significant effect on voters' attribution of blame to a particular institution or individual for the financial crisis of 2007–2008. For instance, the coefficient estimates in column (3) of Table 2 imply that a regular reader of the right-wing tabloid, the *Sun*, was considerably less likely to blame American banks for the financial crisis as a similar individual who did not regularly read a daily newspaper. The estimated coefficient,  $-1.571$  in column (3) implies that, if a particular individual who does not read a newspaper has a 50% probability of blaming the US banks for the financial crisis, then an otherwise identical individual who reads the *Sun* has only a 17% probability of blaming the US banks for the crisis. On the other hand, Table 2 implies that if particular individual who does not read a newspaper has a 50% chance of blaming George W. Bush, former president of the United States, for the financial crisis, then an otherwise identical individual who is a regular reader of of the Murdoch-owned *Times* has a 77% chance of blaming George Bush for the crisis.

For the remainder of this and the following section, I focus my discussion on coefficient estimates for Model 1, which examines the effect on newspaper readership on voters' attribution of blame for the 2007–2008 financial crisis to the incumbent Labour prime minister, Gordon Brown. The estimated coefficients for each newspaper in Model 1 suggest that regular readers of the right-wing broadsheet, the *Telegraph*, and also the left-wing broadsheet, the *Independent*, were more likely to blame Brown for the financial crisis than similar individuals who did not regularly read the news. Consider a hypothetical individual, Jane, who does not read the news and has a 50% chance of blaming each of the individuals or institutions mentioned in Table 2 for the financial crisis. Then, the odds ratio of 2.887 for the *Telegraph*, reported in Table 3, indicates that an individual similar to Jane, but who is a regular reader of the *Telegraph* has a 74% chance of blaming Brown for the the ongoing economic turmoil (where we use that  $0.74 = \frac{2.887}{1+2.887}$ ). Likewise, an individual similar to Jane who regularly reads the *Independent* has a staggering 96% chance of believing that Brown was responsible (where  $0.96 = \frac{23.9}{1+23.9}$ ).<sup>5</sup> On the other hand, an individual similar to Jane who regularly reads the left-wing tabloid, the *Daily Mirror*, has only a 20.6% ( $= \frac{0.26}{1+0.26}$ ) chance of blaming Brown for the crisis. Cumulatively, these results suggest that newspaper coverage exerted a substantial influence on how their readers evaluated politicians' responsibility for the events of 2007–2008 – and so, corroborate earlier research arguing for substantial news media effects on mass political behaviour. Furthermore, these results suggest no clear relationship between the direction of the effect and the ideological slant of the newspaper. That is, the results do not suggest that left-wing papers were more likely to frame the financial crisis in a manner more favourable to the Labour party or to Gordon

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<sup>5</sup>That said, the wide confidence interval on the odds ratio for the *Independent* reported in Table 3 indicates that this figure is quite imprecisely estimated. This is due to the relatively small number of regular *Independent* readers in the sample – 40 such individuals out of a sample of 1450.

Brown. More likely, the direction of these effects reflect the idiosyncratic stances adopted by the editorial staff of different newspapers in response to the financial crisis.

### **3.2 Did This Matter For Vote Choice in 2010?**

Next, I investigate whether the view that Gordon Brown was responsible for the financial crisis of 2007–2008 was damaging to the electoral fortunes of the Labour party in 2010. Whether this was the case is crucial for our assessment of the electoral significance of the news media effects identified in Section 3.1. I evaluate this by regressing individuals' vote intention (as measured in 2009) and self-reported vote choice for the 2010 general election (as measured in 2010) on their assessment of Brown's responsibility for the financial crisis (as measured in the 2009 wave of the BEPS survey). The results of my analyses are reported in Table 4. Models (1) and (2) analyse the full sample, whereas Models (3) and (4) only consider those individuals who voted Labour in 2005. As before, I use a logit estimator, and also control for past vote choice and other observable characteristics.

We find that, even after controlling for past vote choice, individuals who considered Brown responsible for the economic crisis in 2009 were substantially less likely to indicate an intention to vote for the Labour party in the same year. Consider an individual, Alex, who, based on observables, has a 50% probability of supporting Labour in 2009 and voting Labour in 2010 and who does not consider Brown responsible for the crisis. Then, the estimated coefficient on the regressor of interest implies someone similar to Alex who does consider Brown responsible for the crisis has only a 6.3% chance of supporting Labour in 2009 and only a 12.3% chance of voting Labour in 2010. Moreover, the magnitude of the effect remains similar in size even when we restrict our sample to include only those who had voted Labour in 2005, suggesting that these effects are not being simply driven by differential trends among voters who did not vote Labour in 2005. Given that Gordon Brown was not only the incumbent prime minister, but had also served as Chancellor of the Exchequer (Finance Minister) for much of the duration of Labour's current tenure, it seems very possible that, among those who believed him to be responsible for ongoing economic turmoil, the brunt of their economic vote might fall disproportionately on Brown's shoulders. A further illustrative example is provided by Figure 2. The figure shows the predicted probability of voting Labour in 2010 for a white middle-income non-union-member male aged over 60 residing in England, with median political interest and who voted Labour in 2005. The figure is based on the estimates reported in Table 4 and shows that such an individual is estimated as having a greater than 50% chance of voting Labour in 2010 if they did not think that Brown was responsible for the crisis, and an approximately 14% chance of voting Labour in 2010 if they did think that Brown was responsible. The relatively tight confidence intervals around these parameters indicate that these predicted probabilities are relatively precisely estimated.

Table 2: 2SRI Analysis of News Media Effects on Voters' Blame Attribution

	Who Do You Think is Responsible for the Current Financial Crisis?								
	(1) Brown	(2) UK Govt	(3) US Banks	(4) Bush	(5) EU	(6) UK Banks	(7) Borrowers	(8) Oil	(9) Int'l Finance
Sun	0.614 (0.435)	0.301 (0.393)	-1.571*** (0.448)	-0.297 (0.419)	0.834* (0.439)	-0.810* (0.430)	-0.913** (0.411)	0.347 (0.509)	-0.818** (0.372)
Daily Mail	0.356 (0.410)	0.328 (0.376)	0.090 (0.474)	-0.238 (0.399)	-0.356 (0.448)	-0.009 (0.449)	0.025 (0.367)	0.075 (0.508)	-0.099 (0.364)
Telegraph	1.060** (0.412)	-0.051 (0.377)	0.376 (0.528)	-0.436 (0.421)	0.248 (0.438)	-0.085 (0.475)	0.069 (0.370)	-0.628 (0.614)	-0.403 (0.369)
Guardian	-0.391 (0.560)	-0.003 (0.428)	1.161* (0.698)	0.664 (0.408)	-1.980** (0.804)	1.101* (0.586)	0.062 (0.394)	0.330 (0.538)	0.630 (0.432)
Daily Express	0.967 (0.674)	-0.418 (0.626)	-0.639 (0.744)	-0.143 (0.652)	0.903 (0.674)	-0.669 (0.700)	-1.082* (0.653)	-0.177 (0.845)	-0.692 (0.587)
Daily Mirror	-1.356** (0.632)	-0.334 (0.472)	-0.345 (0.536)	-0.286 (0.472)	-0.254 (0.562)	0.084 (0.495)	-0.895** (0.449)	0.185 (0.563)	-0.244 (0.416)
Times	0.872 (0.566)	0.207 (0.514)	1.003 (0.814)	1.236** (0.502)	0.186 (0.619)	0.829 (0.722)	-0.230 (0.507)	-0.543 (0.802)	0.544 (0.524)
Independent	3.174** (1.399)	1.527 (1.295)	3.884 (2.760)	-0.140 (1.338)	-1.141 (2.033)	1.014 (1.852)	-2.526* (1.448)	0.548 (1.732)	2.251 (1.531)
Other	0.537 (0.638)	0.501 (0.555)	-0.571 (0.681)	0.060 (0.569)	0.126 (0.674)	-0.697 (0.610)	-0.357 (0.547)	0.188 (0.736)	-0.267 (0.525)
N	1,447	1,447	1,447	1,447	1,447	1,447	1,447	1,447	1,447
Log Likelihood	-700.648	-856.273	-605.827	-808.272	-655.490	-672.511	-872.480	-549.262	-911.528
AIC	1,467.296	1,778.547	1,277.654	1,682.543	1,376.981	1,411.023	1,810.960	1,164.523	1,889.056

\*p<0.1; \*\*p<0.05; \*\*\*p<0.01

Note: Cell entries present 2SRI coefficient estimates from logit models of voters' attribution of responsibility following the 2007-2008 financial crisis in Britain. In all models, the baseline category is individuals who do not regularly read a daily morning newspaper. All models include controls for each individual's vote choice in 2005, education, income, age, gender, region, union membership, ethnicity, and self-reported level of political attention. Standard errors are reported in parentheses.

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

Note: Cell entries in column (1) report estimated odds ratios based on coefficient estimates for Model (1) in Table 2. Columns (2) and (3) report the lower and upper bounds for the 95% CI for each estimate. Each estimate reports the odds of an individual in that category blaming then Labour PM Gordon Brown for the ongoing financial crisis relative to similar individuals who did not regularly read a newspaper.

Table 4: Implications of Voter Blame Attribution for Party Choice

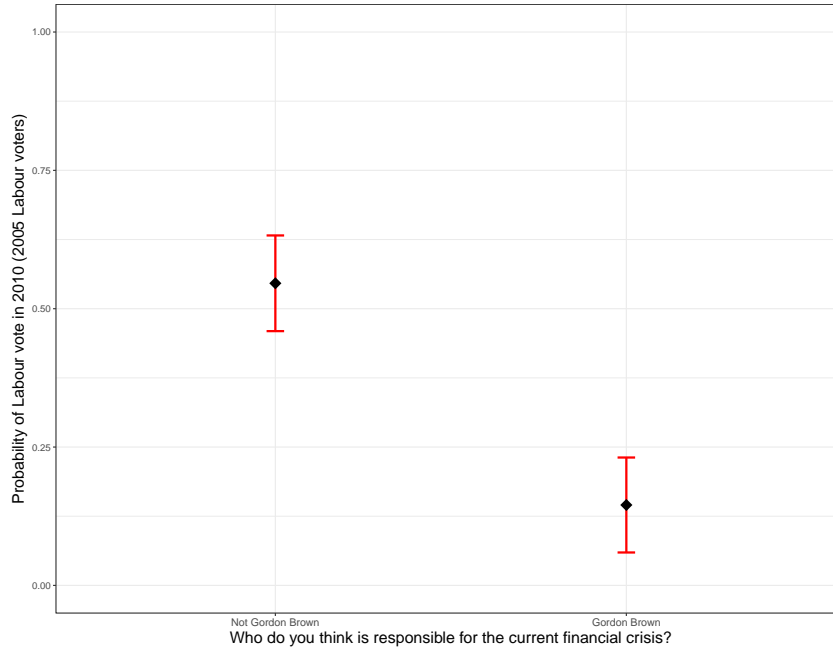
	Party Preference			
	(1) Labour in 2009 (All voters)	(2) Labour in 2010 (All voters)	(3) Labour in 2009 (Lab' 05 only)	(4) Labour in 2010 (Lab' 05 only)
Brown responsible for FC	-2.688*** (0.421)	-1.956*** (0.326)	-2.476*** (0.443)	-1.889*** (0.419)
2005 Lab. Voter	3.348*** (0.421)	2.294*** (0.329)		
2005 Cons. Voter	-1.659** (0.654)	-1.223*** (0.434)		
2005 LD Voter	0.182 (0.479)	-0.094		
N	1,447	1,365	529	499
Log Likelihood	-411.505	-477.739	-306.147	-314.065
AIC	855.010	987.478	638.294	654.130

*Note:*

\*p<0.1; \*\*p<0.05; \*\*\*p<0.01

Note: Cell entries present coefficient estimates from logit models of individuals' vote choice. In all models, the reference category is individuals who do not consider the incumbent Labour prime minister Gordon Brown to have been responsible for the ongoing financial crisis. All models include controls for each individual's vote choice in 2005, education, income, age, gender, region, union membership, ethnicity, and self-reported level of political attention. Standard errors are reported in parentheses.

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.

It appears to be the case, then, that such individuals vote choices in 2010 were enormously influenced by their opinions about whether Brown was responsible for the financial crisis and these opinions were in turn partly acquired from the newspapers that they read.

## 4 Conclusion

How does news media coverage influence voters' interpretation, and response, to political events – and might it have any electoral consequences? In this paper, I investigate how newspaper coverage may have influenced how British voters interpreted the financial crisis of 2007–2008 – and in particular, how it may have influenced their attribution of blame to different institutions and individuals following the crisis. At the time, senior figures within the opposition Conservative party, including party leader David Cameron, were keen to pin much of the blame for the economic turmoil of 2007 onwards on Gordon Brown and the incumbent Labour government. The charges laid at his feet were the following: that Brown's policy of 'light-touch regulation' of the financial sector during his term as Chancellor of the Exchequer had made the UK especially vulnerable to a global financial crisis, and also that Labour's spending plans had endangered

the British economy, and also its prospects for recovery. As late as 2015, the Labour party leader Ed Miliband continued to be dogged by accusations that the Labour party in government under Brown had destroyed the British economy. In this paper, I investigate the extent to which differences in news media coverage of the events of 2007–2008 onwards increased the potency of these arguments among the British public.

Using data from the 2005–2010 British Election Panel Study, I engage with concerns regarding the self-selection of individuals into media outlets that share their views, and also the possibility that media outlets may adopt the slant preferred by their readers – some of the biggest challenges facing researchers seeking to identify news media effects on mass political behaviour. By using individuals’ news exposure from 2005 as an instrument for their news exposure following the crisis, I account for the possibility that individuals may select into particular news outlets based on the fit between their reading of the financial crisis and the slant of the paper. Moreover, as individuals may have selected into reading particular newspapers based on their shared political outlook even before the crisis, I also control for respondents’ self-reported vote choice in 2005, as well as other observable individual-level characteristics.

I identify a substantial and statistically significant effect of news media coverage on how British voters assigned blame to individuals and institutions for the global financial crisis. For instance, I find that a regular reader of the right-wing tabloid, the *Sun*, was much more likely to blame American banks for the financial crisis as a similar individual who did not regularly read a daily morning newspaper. More pertinently, I find that news media coverage seems to have significantly influenced whether and how much British voters blamed the prime minister Gordon Brown for ongoing economic turmoil. My estimates suggest that regular readers of the right-wing broadsheet, the *Telegraph*, and also the left-wing broadsheet, the *Independent*, were substantially more likely to believe Brown was to blame for the financial crisis than similar individuals who did not read a daily newspaper. Specifically, my estimates suggest that if a particular individual who does not read a newspaper has a 50% chance of assigning blame to Gordon Brown for the financial crisis, then a similar individual who is regular reader of the *Independent* has a staggering 96% chance of blaming Brown. That we find similar effects for both left- and right-wing newspapers adds confidence to the claim that, in this case, it is the news media that is shaping voter opinion on this topic, and not the case that voters’ prior predispositions were encouraging newspapers to adopt a particular stance on the crisis. Moreover, I find that those who believed Gordon Brown to be responsible for the financial crisis were also substantially less likely to vote Labour, even when we only consider those who voted Labour in 2005. Cumulatively, these results suggest that editorial choices made by newspaper staff may substantially influence voter opinion, and thus, the outcomes of elections.

# Appendices

## A Replication of Main Results by 2SLS

Table 5 replicates the main results in the paper using two-stage least squares (2SLS), instead of estimating a logit model using the two-stage residual inclusion (2SRI) instrumental variables estimator (as in the main paper). The 2SLS approach requires that we estimate a linear probability model using 2SLS, instead of a logit model. However, this is problematic in cases with a binary dependent variable, such as mine – where we would expect there to be a non-linear relationship between the regressor of interest (respondents’ news exposure) and the dependent variable (respondents’ attribution of blame following the financial crisis). Use of a linear probability model in such cases will certainly produce biased parameter estimates, and also generate fitted values that are outside the range of feasible values. Regardless, we obtain substantively similar results to those in the main paper when using this alternative approach. For instance—as before—we find that both readers of the *Telegraph* and the *Independent* were more likely to blame Gordon Brown for the financial crisis than otherwise similar non-readers, though it is no longer the case that readers of the left-wing *Daily Mirror* differ significantly from non-readers in their attribution of blame for the financial crisis to different individuals and institutions.



Table 5: 2SLS Analysis of News Media Effects on Voters' Blame Attribution

	Who Do You Think is Responsible for the Current Financial Crisis?								
	(1) Brown	(2) UK Govt	(3) US Banks	(4) Bush	(5) EU	(6) UK Banks	(7) Borrowers	(8) Oil	(9) Int'l Finance
Sun	0.091 (0.073)	0.057 (0.081)	-0.274*** (0.066)	-0.050 (0.078)	0.152** (0.069)	-0.135* (0.070)	-0.176*** (0.082)	0.043 (0.061)	-0.198*** (0.085)
Daily Mail	0.049 (0.070)	0.068 (0.078)	-0.001 (0.063)	-0.042 (0.075)	-0.060 (0.066)	-0.006 (0.067)	0.006 (0.079)	0.006 (0.059)	-0.024 (0.082)
Telegraph	0.201*** (0.071)	-0.014 (0.080)	0.027 (0.064)	-0.073 (0.077)	0.040 (0.068)	-0.020 (0.069)	0.021 (0.081)	-0.039 (0.060)	-0.096 (0.083)
Guardian	-0.018 (0.076)	-0.0004 (0.085)	0.073 (0.068)	0.136* (0.081)	-0.142*** (0.072)	0.128* (0.073)	0.017 (0.086)	0.034 (0.063)	0.112 (0.088)
Daily Express	0.158 (0.114)	-0.092 (0.128)	-0.088 (0.103)	-0.025 (0.123)	0.155 (0.108)	-0.102 (0.110)	-0.215* (0.129)	-0.015 (0.096)	-0.153 (0.134)
Daily Mirror	-0.127 (0.080)	-0.054 (0.090)	-0.044 (0.072)	-0.043 (0.086)	-0.034 (0.076)	0.018 (0.077)	-0.177* (0.091)	0.022 (0.067)	-0.053 (0.094)
Times	0.137 (0.096)	0.039 (0.107)	0.072 (0.087)	0.257** (0.103)	0.024 (0.091)	0.069 (0.092)	-0.046 (0.108)	-0.040 (0.080)	0.114 (0.112)
Independent	0.544** (0.245)	0.339 (0.274)	0.278 (0.221)	-0.031 (0.263)	-0.080 (0.232)	0.133 (0.235)	-0.494* (0.277)	0.072 (0.204)	0.396 (0.286)
Other	0.081 (0.102)	0.102 (0.114)	-0.105 (0.092)	0.017 (0.109)	0.011 (0.096)	-0.115 (0.098)	-0.076 (0.115)	0.023 (0.085)	-0.067 (0.119)
N	1,447	1,447	1,447	1,447	1,447	1,447	1,447	1,447	1,447
R <sup>2</sup>	0.258	0.145	0.067	0.031	0.058	0.043	0.028	0.018	0.045

\* p<0.1; \*\* p<0.05; \*\*\* p<0.01

## B Replication of Main Results by 2SPS

Table 6 replicates the main results in the paper using two-stage predictor substitution (2SPS) in place of two-stage residual inclusion (2SRI). The 2SPS approach presents an alternative means for extending the linear 2SLS approach to non-linear models (Blundell and Smith 1989; Terza, Basu and Rathouz 2008), and, like 2SLS, is implemented by substituting fitted values from the first-stage regression for the endogenous regressors in the second-stage equation. However, the 2SRI approach is preferred for the main specifications, as unlike both 2SLS (in the linear case) and 2SRI (in the non-linear case), the 2SPS estimator does not necessarily produce consistent parameter estimates. Regardless, the estimates we obtain using 2SPS are virtually identical to those obtained using 2SRI in the main body of the paper.

Table 6: 2SPS Analysis of News Media Effects on Voters' Blame Attribution

	Who Do You Think is Responsible for the Current Financial Crisis?								
	(1) Brown	(2) UK Govt	(3) US Banks	(4) Bush	(5) EU	(6) UK Banks	(7) Borrowers	(8) Oil	(9) Int'l Finance
Sun	0.579 (0.432)	0.291 (0.392)	-1.543*** (0.444)	-0.278 (0.417)	0.838* (0.435)	-0.771* (0.426)	-0.881** (0.407)	0.346 (0.506)	-0.817** (0.369)
Daily Mail	0.341 (0.406)	0.325 (0.373)	0.070 (0.470)	-0.230 (0.398)	-0.365 (0.445)	-0.027 (0.443)	0.016 (0.366)	0.056 (0.505)	-0.101 (0.362)
Telegraph	1.052** (0.409)	-0.048 (0.375)	0.359 (0.523)	-0.432 (0.421)	0.262 (0.433)	-0.083 (0.469)	0.067 (0.369)	-0.512 (0.597)	-0.408 (0.366)
Guardian	-0.324 (0.543)	-0.012 (0.426)	0.940 (0.651)	0.659 (0.407)	-1.963** (0.802)	1.116* (0.581)	0.066 (0.393)	0.315 (0.536)	0.606 (0.427)
Daily Express	0.925 (0.671)	-0.430 (0.625)	-0.641 (0.740)	-0.140 (0.650)	0.909 (0.667)	-0.622 (0.693)	-1.068 (0.650)	-0.126 (0.828)	-0.681 (0.584)
Daily Mirror	-1.403** (0.629)	-0.344 (0.470)	-0.320 (0.532)	-0.260 (0.469)	-0.262 (0.557)	0.121 (0.493)	-0.888** (0.448)	0.179 (0.560)	-0.235 (0.414)
Times	0.861 (0.562)	0.206 (0.513)	0.874 (0.788)	1.231** (0.500)	0.197 (0.614)	0.575 (0.673)	-0.211 (0.502)	-0.418 (0.783)	0.536 (0.520)
Independent	3.166** (1.387)	1.554 (1.272)	3.529 (2.721)	-0.109 (1.329)	-0.366 (1.843)	0.897 (1.818)	-2.455* (1.433)	0.691 (1.707)	2.126 (1.502)
Other	0.514 (0.632)	0.492 (0.552)	-0.658 (0.668)	0.080 (0.566)	0.123 (0.669)	-0.673 (0.603)	-0.349 (0.545)	0.207 (0.731)	-0.273 (0.521)
N	1,447	1,447	1,447	1,447	1,447	1,447	1,447	1,447	1,447
Log Likelihood	-707.356	-861.270	-616.911	-813.739	-664.395	-686.125	-878.470	-555.922	-921.492
AIC	1,462.712	1,770.541	1,281.822	1,675.479	1,376.790	1,420.249	1,804.940	1,159.845	1,890.984

Note: \* p<0.1; \*\* p<0.05; \*\*\* p<0.01

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