

How the Media Matters for the Economic Vote: Evidence from Britain

Chitrlekha Basu

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Cologne Center for Comparative Politics

- Does media coverage influence how voters evaluate incumbents on the economy?
- Could editorial choices impact the strength and direction of the economic vote?
 - “The role of the media in informing voters and providing a basis for economic voting remains severely under-researched.”
(Bernhagen and Brandenburg 2015)
- Estimate effect of news consumption on how British voters evaluated the incumbent Labour government following the global financial crisis.
 - Combine sentiment analysis of media content with panel data on public opinion.

The economic vote

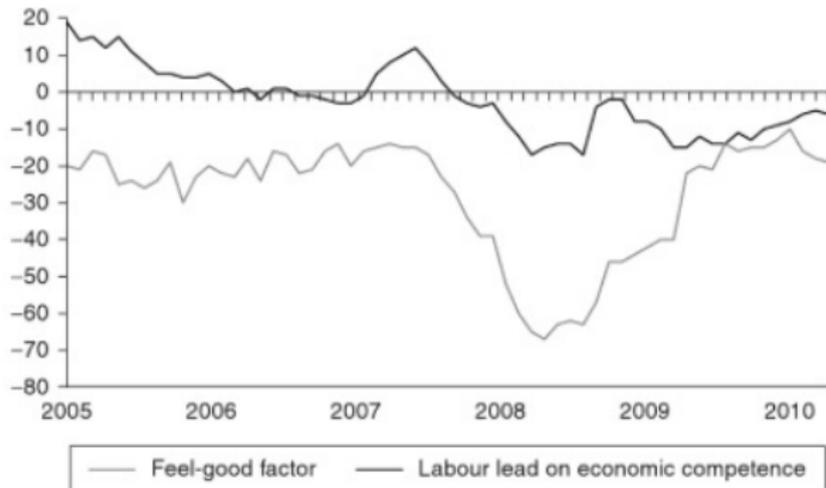
- Surfeit of evidence on the importance of the economic vote in elections (e.g. Lewis-Beck and Stegmaier 2000; Duch and Stevenson 2006).
 - Voters tend to re-elect incumbents in good times.
 - Politicians more likely to be (re-)elected if perceived as competent managers of the economy.
- Important for electoral outcomes, and also fundamental to electoral accountability.
 - Allows voters to sanction low-quality and reward high-quality incumbents.
- However: well-documented that voters' economic perceptions and evaluations vary - e.g. based on partisanship (Bisgard 2015), personal circumstances (Healy et al. 2017).
 - Including in response to economic information (Alt et al. 2015).

The role of the media

- Does media coverage also influence these perceptions and evaluations?
 - And to an extent which matters for the economic vote?
- Extensive literature on media persuasion, which finds measurable effects of media coverage (volume, tone) on various outcomes.
 - Policy-specific knowledge and attitudes – including economic (Barabas and Jerit 2009, Barnes and Hicks 2018).
 - Aggregate economic perceptions (Soroka et al. 2015).
 - Electoral support (Ladd and Lenz 2008, Brandenburg and van Egmond 2011).
- But: minimal work linking media coverage (tone) to the economic vote.
 - Garz and Martin (2020) find changing **volume** of unemployment news influences incumbent support.
 - Bernhagen and Brandenburg (2015) study effect of media tone on economic – and thus, incumbent – evaluations using Irish panel data, but find no effect.

Why the British case?

Apparent link between global financial crisis and voter evaluations of Labour.



Source: YouGov; Allen and Bartle (2010).

- Labour lead on economy collapsed during the crisis.

Role for the media

Expert knowledge required to evaluate Labour's handling of the crisis – and experts disagreed.

1. Supporters of Labour could and did argue:

- Stimulus and bank nationalisations were essential to stabilise the economy.
- Fiscal austerity in 2008 would have worsened recession → big rise in public debt unavoidable.

2. Its opponents argued otherwise:

- Magnitude of bailout → rate rise or collapse in the pound, threatening recovery.
- Insufficient regulation of the financial system before 2008.
- “Irresponsible borrowing” in boom years by households and governments magnified the crisis.

Since most voters did not possess sufficient expertise, did media coverage shape their evaluations?

Coverage varied significantly and persistently by paper

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

Newspaper coverage (tone) had a significant effect on:

- Whether voters thought Labour handled the financial crisis well or badly.
- Whether voters thought Labour handled the economy well or badly, following the crisis.
- Whether voters intended to vote Labour in (early) 2010.
 - But not necessarily whether they actually voted Labour in 2010.
 - Possible that media effects were countered during campaign.

Research design

- Use sentiment analysis to measure how newspapers covered the Labour government's handling of the financial crisis.
 - Each paper assigned a sentiment score (higher score → more positive coverage).
- Regress how individuals evaluated Labour in 2010 on their preferred paper's sentiment score.
- But..
 1. Individuals may choose a media outlet because they prefer its political slant (selection bias).
 2. Media outlets may adapt their framing to reader preferences (reverse causality).

Identification strategy

1. Panel data allows us to measure change in individual preferences between 2005 and 2010.
 - Can control for individuals' (pre-crisis) political preferences in 2005, as well as numerous demographic characteristics.
2. Instrument for post-crisis news exposure using (crisis-era) sentiment score of newspaper preferred in 2005.
 - Alleviates concern that individuals may switch papers following opinion shifts during the crisis, or based on how the crisis was covered.
3. Sensitivity analysis addresses possibility that unobserved characteristics in 2005 may explain any opinion shifts as well as newspaper choice.

Text analysis: data and methodology

1. Use LexisNexis to generate corpus of 2,362 articles from eight major newspapers.
 - Eight papers considered: *The Guardian*, *The Telegraph*, *The Independent*, *The Times*, *Daily Mail*, *The Sun*, *Daily Express*, *Daily Mirror*.
 - Printed between 9 August 2007 (beginning of crisis) and 6 May 2010 (day before 2010 GE).
 - Containing references to the financial crisis and to Gordon Brown or the Labour government.
 - Excluding articles from sport, culture sections.

Text analysis: data and methodology

2. Generate sentiment score for each paper based on their coverage of Labour's response to the crisis.

- Extract text contained in window of ± 10 words surrounding mentions of Brown or Labour government.
- Generate term-based sentiment score for each article i based on Lexicoder Sentiment Dictionary (Young and Soroka 2012):

$$\frac{p_i - n_i}{l_i}$$

- Construct a weighted average of article-level sentiment scores to produce sentiment score for each paper:

$$\sum_i \left[\frac{p_i - n_i}{l_i} \times \frac{l_i}{\sum_i l_i} \right]$$

- Longer articles weighted more heavily.

Example of negative media framing

Daily Express, 'Too long in power seems just to lead to delusions', 3 May 2009:

It's amazing how the trappings of power can lead to delusional behaviour. Tony Blair saw nothing wrong in leading Britain into a war in Iraq which was possibly illegal in terms of international law. Gordon Brown apparently refuses to believe that his Government contributed in any way to the financial woes afflicting the country despite the fact that the lack of regulation allowed the banks carte blanche. Obviously so long as the tax revenues poured in there was little need for government intervention. At least Alistair Darling can be given some credit for not using "global" to cover every aspect of the financial crisis and alluding to some governmental mistakes.

- Article-level sentiment score: -0.273 (among 5% most negative)
- Paper-level sentiment score: -0.037 (min. possible)

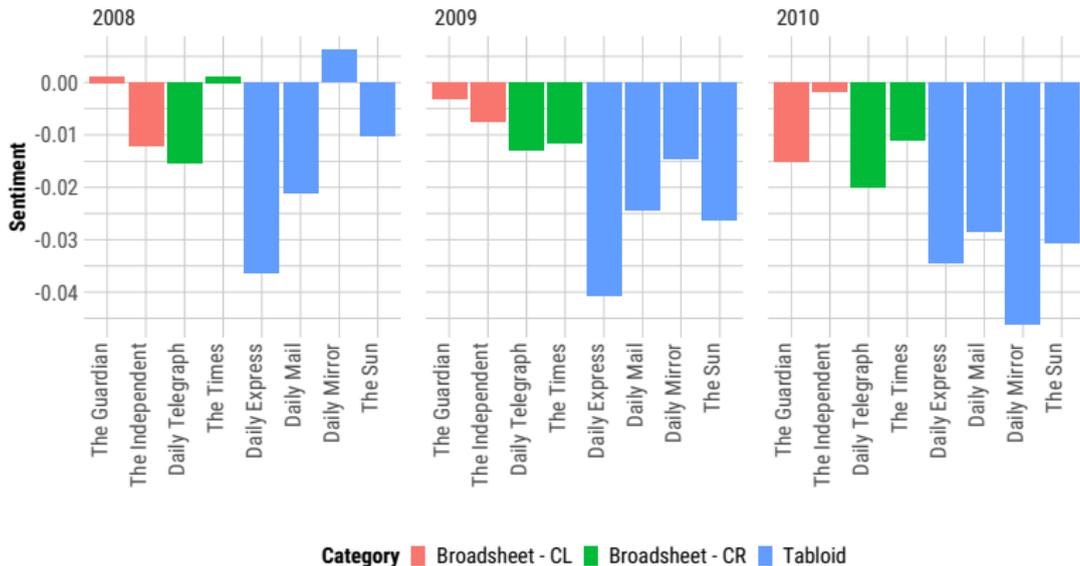
Example of positive media framing

The Guardian, 'France and Germany back UK bonus tax', 12 October 2009:

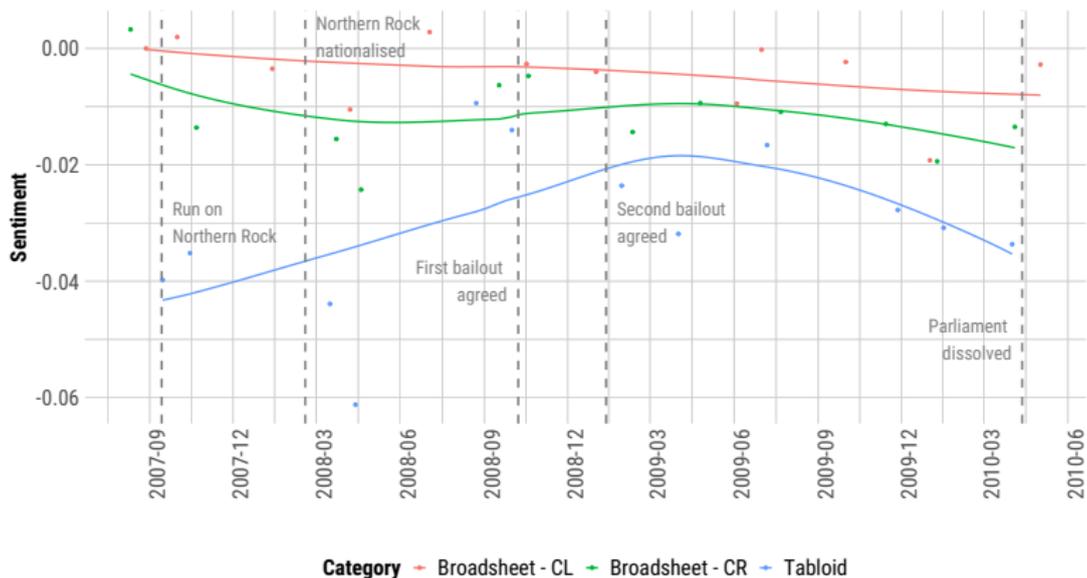
Gordon Brown claimed a victory for the government tonight after securing the support of France and Germany for its supertax on City bonuses amid signs that major Wall Street firms were attempting to prevent a similar clampdown by the Obama administration ...The warm international reception for Brown's bonus tax held out the prospect that the prime minister could secure a much-needed political boost, as he did when other countries followed his lead on recapitalising the banks last year.

- Article-level sentiment score: 0.083 (among 5% most positive)
- Paper-level sentiment score: -0.003 (max. possible)

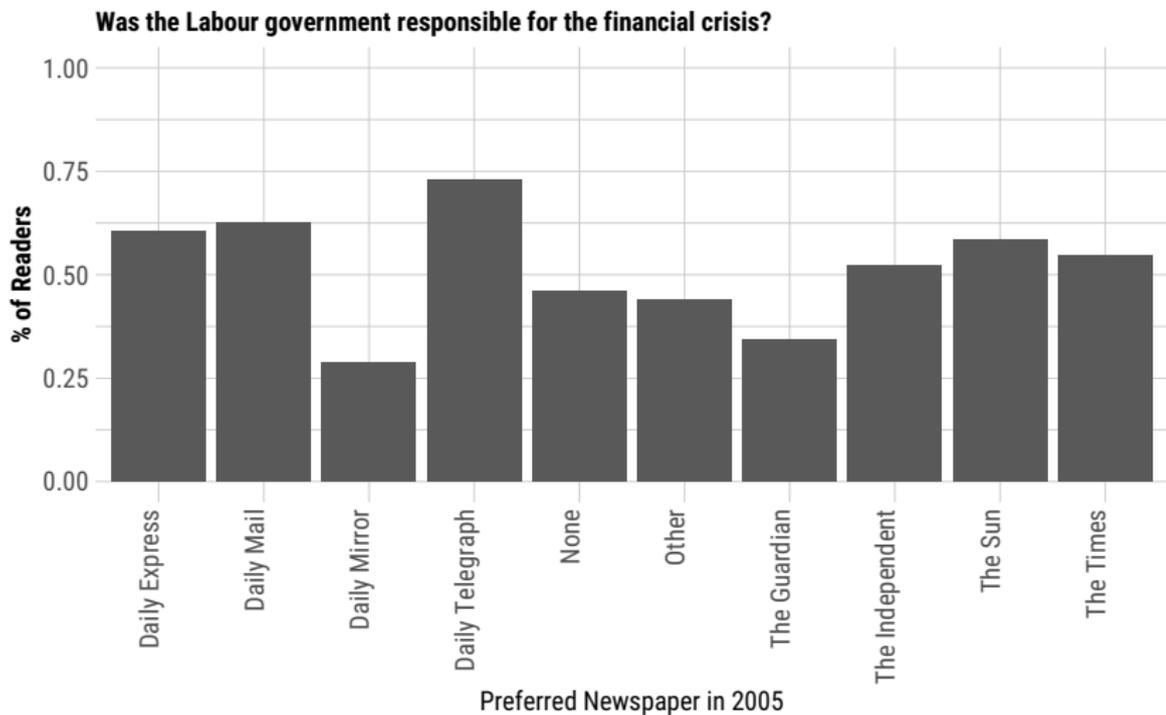
Coverage of Labour response to crisis by paper



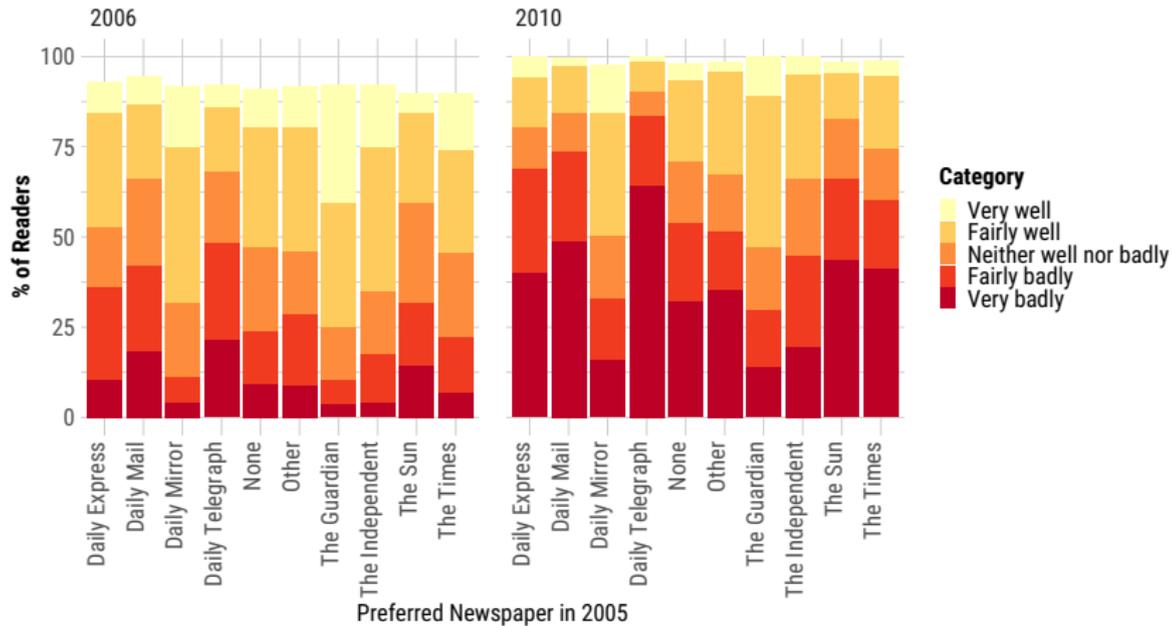
Newspaper coverage of Labour response to crisis



Reader assessments of Labour's responsibility for the crisis



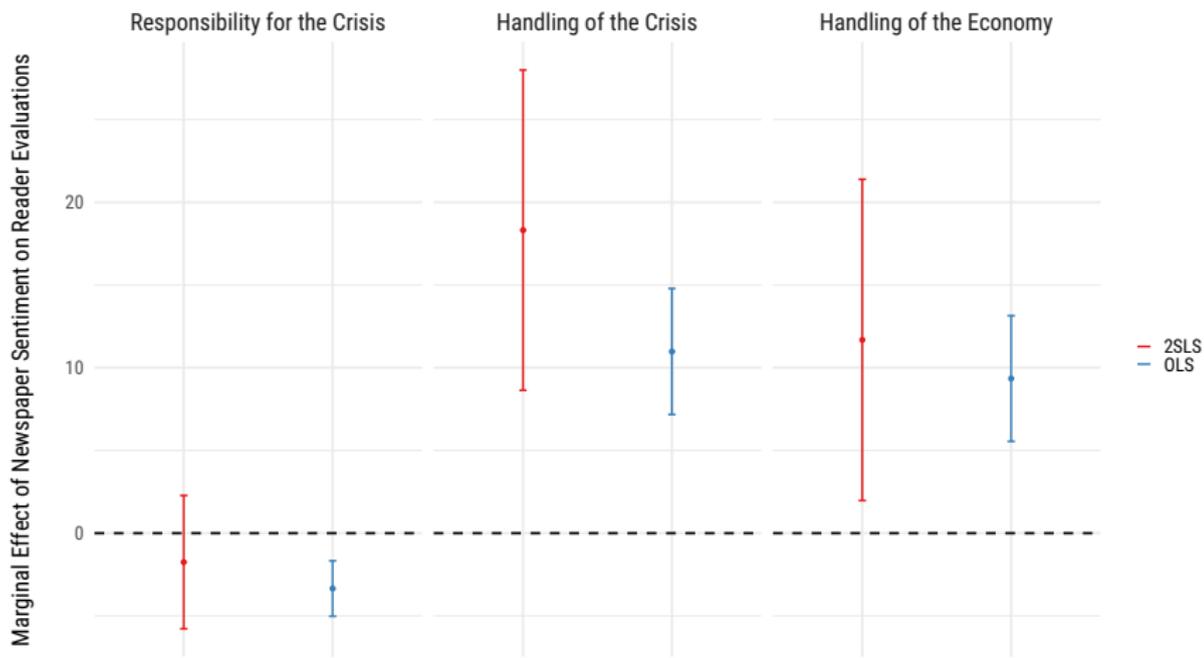
Reader assessments of Labour's handling of the economy



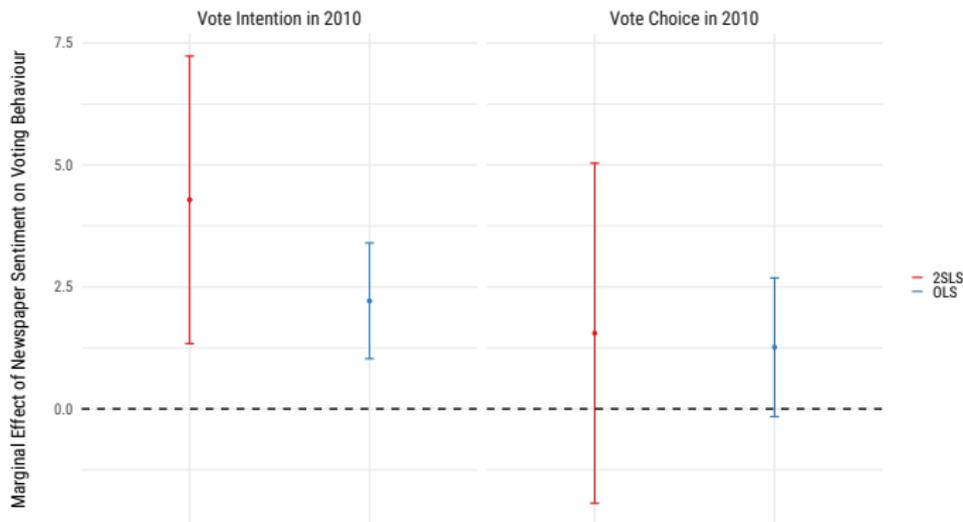
Regression analysis: data and methodology

- 2SLS analysis of panel of 3,402 respondents from British Election Panel Study, 2005-2010.
- Outcomes of interest:
 - Was the Labour government responsible for the financial crisis?
 - How well has Labour handled the financial crisis?
 - How well has Labour handled the economy?
 - Vote choice in 2010.
- Key explanatory variable: sentiment score for individual's preferred paper.
 - Instrument for post-crisis news exposure using sentiment of newspaper individual preferred in 2005.
- Controls: **vote choice in 2005; evaluations of L/C/LD in 2005; evaluation of L/C leaders in 2005; evaluation of L/C handling of the economy in 2005;** attention to politics; education; income; home ownership; age; gender; region; union membership; ethnicity.

Newspaper coverage and reader evaluations in 2010



Newspaper coverage and vote choice in 2010



- Shifting from reading the *Daily Express* to the *Guardian* increases probability of voting Labour by approx. 15 percentage points.

Alternative explanations

- Is there some unobserved component of individuals' pre-crisis attitudes which is correlated with 2005 newspaper choice and 2010 evaluations?
- Is there some unobserved demographic characteristic which predicts both 2005 newspaper choice and any 2005-10 opinion shift?

I conduct several sensitivity analyses to alleviate these concerns.

Sensitivity analysis

Sensitivity analysis evaluates how strongly an unobserved confounder would have to be associated with both the treatment (newspaper sentiment) and the outcome variables (voter evaluations of Labour), **conditional on observed covariates**, in order to eliminate an estimated relationship.

- Improves our ability to make causal claims using selection on observables.
- I implement approach suggested by Cinelli and Hazlett (2020) to evaluate sensitivity of linear regression coefficients to omitted variables.
 - Allows us to bound bias associated with a potential confounder by comparing to observed explanatory power of covariates.

Results of sensitivity analyses

Outcome	Observed Covariate	Association w. T/O Required for Unobserved Confounder
Lab. Handling of Fin. Crisis	2005 Lab. Vote	×7
Lab. Handling of Fin. Crisis	2005 Lab. Rating	×2
Lab. Handling of Fin. Crisis	2005 Tax-Spend Preferences	×64
Lab. Handling of Fin. Crisis	Education	×3
Lab. Handling of Fin. Crisis	Attention to Politics	×8
Lab. Handling of Economy	2005 Lab. Vote	×2
Lab. Handling of Economy	2005 Lab. Rating	×0.26
Lab. Handling of Economy	2005 Tax-Spend Preferences	×8
Lab. Handling of Economy	Education	×0.99
Lab. Handling of Economy	Attention to Politics	×4
2010 Lab. Vote Intention	2005 Lab. Vote	×2
2010 Lab. Vote Intention	2005 Lab. Rating	×0.59
2010 Lab. Vote Intention	2005 Tax-Spend Preferences	×19
2010 Lab. Vote Intention	Education	×5
2010 Lab. Vote Intention	Attention to Politics	×2

- Alternative measures of sentiment:
 - Changing size of text extract considered.
 - Changing how positive/negative mentions are aggregated.
- Alternative IV estimators: 2SPS, 2SRI.

Conclusion I

- Little research exists linking media coverage to the economic vote.
- Combine sentiment analysis with panel data on British public opinion to evaluate effect of media coverage on voter evaluations of the incumbent Labour government following the global financial crisis (2007-8).
 - Use instrumental variables analysis and sensitivity analyses to alleviate endogeneity concerns.

Conclusion II

- I find that newspaper coverage had a significant effect on:
 - Whether voters thought Labour handled the financial crisis well or badly.
 - Whether voters thought Labour handled the economy well or badly, following the crisis.
 - Whether voters intended to vote Labour in (early) 2010 – but not necessarily actual vote choice.
- Findings suggest media coverage may be important for the strength and direction of the economic vote.

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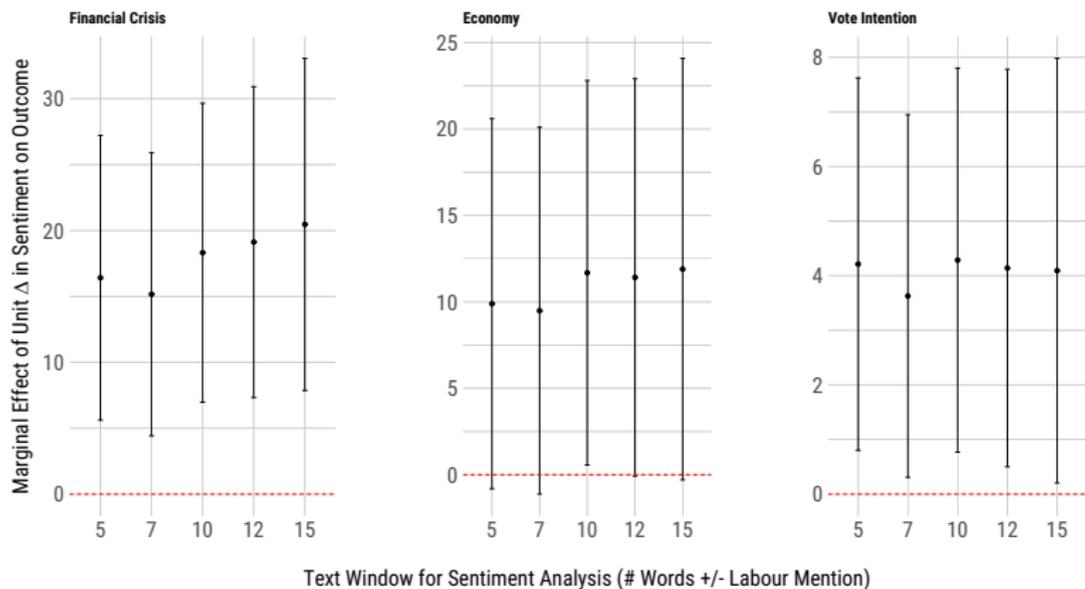
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Reader characteristics by paper in Britain, 2005-2010

Newspaper	2005 Labour Vote (%)		2010 Labour Vote (%)		Readership (%)		2010 Endorsement
	Unweighted	(Weighted)	Unweighted	(Weighted)	Unweighted	(Weighted)	
Tabloids							
Daily Mirror	39.0	(40.3)	43.2	(44.2)	10.6	(12.2)	Labour
The Sun	25.5	(24.4)	15.7	(13.8)	12.6	(15.0)	Conservatives
Daily Express	21.4	(19.3)	16.5	(14.9)	5.1	(5.0)	Conservatives
Daily Mail	16.6	(15.3)	11.4	(11.6)	13.6	(13.8)	Conservatives
Right-Leaning Broadsheets							
Daily Telegraph	7.9	(7.3)	6.3	(5.9)	7.0	(6.5)	Conservatives
The Times	18.8	(17.1)	15.6	(15.4)	6.1	(5.8)	Conservatives
Left-Leaning Broadsheets							
The Guardian	39.2	(33.6)	37.0	(34.7)	6.0	(3.7)	Liberal Democrats
The Independent	19.4	(16.4)	22.1	(22.04)	3.0	(2.2)	Liberal Democrats
Other	22.0	(22.5)	22.2	(23.1)	4.7	(5.0)	-
None	24.0	(23.2)	19.7	(18.9)	31.2	(30.7)	-
Total	23.9	23.0	19.7	19.1	100	100	-

Varying Text Window for Sentiment Score



Placebo tests

Placebo tests evaluate whether measured opinion shifts are driven by voter opinions on issues apart from financial crisis (e.g. immigration).

- May be because of selection into readership, or paper's coverage of other issues.
- If so, might see evidence of opinion change before crisis begins.

	DV: How well has Labour handled the economy?				
	(1) 2005	(2) 2006	(3) 2008	(4) 2009	(5) 2010
Newspaper Sentiment	-6.289 (4.146)	7.805 (4.839)	10.576 (5.843)	11.252* (5.716)	11.682* (5.919)
N	2,331	2,211	2,194	2,054	2,341
R ²	0.657	0.611	0.517	0.510	0.526
Adjusted R ²	0.654	0.607	0.512	0.504	0.521
First-stage F Statistic	428.32	415.36	411.57	376.61	429.43
Anderson-Rubin CI	[-14.028, 1.343]	[-1.091, 16.770]	[0.404, 20.652]	[0.868, 21.409]	[1.244, 22.192]

*p<0.05; **p<0.01; ***p<0.001

Placebo tests (continued)

	DV: Labour vote intention			
	(1) 2006	(2) 2008	(3) 2009	(4) 2010
Newspaper Sentiment	3.166 (1.729)	2.896 (1.845)	4.279* (1.935)	4.285* (1.793)
Observations	2,221	2,202	2,065	2,344
R ²	0.553	0.420	0.407	0.396
Adjusted R ²	0.548	0.413	0.400	0.389
First-stage F Statistic	418.39	415.15	382.45	430.62
Anderson-Rubin CI	[-0.223, 6.579]	[-0.714, 6.467]	[0.478, 8.002]	[0.772, 7.842]

*p<0.05; **p<0.01; ***p<0.001