DISCUSSION PAPER SERIES

IZA DP No. 7979

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February 2014

Forschungsinstitut
zur Zukunft der Arbeit
Institute for the Study
of Labor

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ABSTRACT

The Effect of Economic Change and Elite Framing on Economic Preferences: A Survey Experiment*

An unresolved question in political science is how economic downturns affect citizens' economic left-right preferences. Existing observational studies fail to isolate the effect of economic conditions and the effect of elite framing of these conditions. We therefore designed a survey experiment to evaluate how economic change in conjunction with different elite frames impact on citizens' preferences for economic policies. We hypothesise and demonstrate that the effects of these frames differ by income group and partisanship. Our survey experiment – carried out in the UK – demonstrates that poor economic prospects motivate support for unemployment benefits vis-à-vis deficit reduction. Emphasis on government debt and deficits increases support for the latter policy option. Also, we find support for the hypothesis that partisans are less responsive to the economy than independents.

JEL Classification: D72, Z18

Keywords: economic preferences, economic crises, elite framing, survey experiment, UK

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* We gratefully acknowledge comments by Bert Bakker, Jordi Munoz and Lee Savage. The data collection for this paper was funded by the "Reforming Welfare State Institutions Programme". Paul Marx's and Gijs Schumacher's research was supported by a grant from the Carlsberg Foundation and Danish Research Council, respectively.

An unresolved question in political science is how economic downturns affect citizens' economic left-right preferences. Do economic downturns increase support for left-wing economic policies through citizens' concern about unemployment risk and social inequality? Some studies indeed demonstrate that in times of economic crises public opinion shifts to the left (Blekesaune & Quadagno, 2003; Blekesaune, 2007; Kam & Nam, 2008; Soroka & Wlezien, 2005). Others claim that economic hardship strengthens materialist considerations at the expense of "luxury" post-materialist considerations (Inglehart & Abramson, 1995; Inglehart, 1985) so that citizens on average become more critical of the welfare state. Some studies indeed show that in times of economic crisis public opinion shifts to the right (Durr, 1993; Stevenson, 2001).[1]

A cause of this inconclusiveness is that the observational micro- or macro-level data this research uses provides no control over the impact of the subjective *and* objective economy on preferences for economic policies. Economic conditions vary over time, but also (competing) elites differ in how they frame economic conditions over time. Because of this the causes of public opinion change are difficult to isolate in observational studies. A second potential cause for the inconclusive results is that individuals may vary in how they respond to changes in economic conditions. Partisans are more likely to take cues from elites they identify with (Taber & Lodge, 2006) whereas political independents are less biased in their perception of the economy (Kayser and Wlezien 2011). Also poor, rich or middle-class individuals have different propensities to benefit from or pay for redistribution. Hence, they should respond differently to economic downturns. In this research note we therefore present a survey experiment that exposed groups of respondents to different

[1] Another view is that the type of crisis matters, for example Erikson and co-authors (Erikson, Mackuen, & Stimson, 2002) find that unemployment drives public opinion to the left, but inflation drives public opinion to the right.

frames of the economy to disentangle the effect of the objective economy from the effect of elite interpretations of the objective economy.

Objective and Ideological Frames

Framing experiments randomly assign individuals to different messages and differences in attitude between treatments group is interpreted as a framing effect (Chong & Druckman, 2007; Druckman, 2004). In the area of economic policy preferences several experiments report framing effects (Kangas, Niemelä, & Varjonen, 2013; Malhotra & Margalit, 2010; Petersen, Sznycer, Cosmides, & Tooby, 2012). We build on this small but emerging literature to analyse the effect of three different frames – the *objective frame*, the *inequality frame* and the *deficit frame* - on a specific economic policy preference: support for benefits for the unemployed vis-à-vis support for deficit reduction. Specifically, our dependent variable is the answer to the question "Which of the two following goals do you personally think the government should prioritise? (1) Maintaining the standard of living for the unemployed even it this leads to a higher budget deficit or (2) reducing the budget deficit even if it means cuts in unemployment benefits". We force respondents to choose between options to mimic real-world political discourses in which these options are typically presented as mutually exclusive. Now we turn to discussing the design and expectations for each of the three frames.

First, the objective frame provides a concrete statement about unemployment "Next year unemployment in UK will reach an all-time high. Many jobs in the public and private

sector will be cut." The treatment aims to signal a poor prospective economic situation.[2] By doing so we expect to activate two mechanisms: (1) people from low income brackets, who have little savings and pay little taxes, will be mainly concerned with the risk of personal job loss and therefore choose to defend unemployment benefits more than people in a similar socio-economic situation who did not receive this treatment (the control group); (2) people with higher incomes may feel threatened by this negative economic prospect, too, and therefore support unemployment benefits as a means to insure themselves against future income loss (Rehm, 2009). On the other hand, worries about higher tax burdens because of a bloated welfare state, government debts and budget deficits may dominate and individuals with higher incomes become more supportive of retrenchment. In sum, there are competing hypotheses for the effect of poor economic prospects on the entire population (H1A: more support, H1B: less support), but we unambiguously expect more support for keeping unemployment programmes compared to the control group among low incomes (H2).

Second, the inequality frame is similar to the objective frame plus this information: "Experts say that unemployment benefits need to be kept at their current level to keep people from falling into poverty. Otherwise the UK will become a more unequal country". We expect that our emphasis on inequality activates inequality aversion. Individuals are highly sensitive to unequal outcomes and seek some form of distributive justice (Fong, 2001) which is a deep-seated trait with evolutionary origins (Bowles & Gintis, 2011). Hence, we expect inequality aversion to be activated by this frame which leads to more support for the unemployment programme than in the objective frame (H3). Because of the deep-

[2] We chose unemployment as an economic indicator rather than GDP growth or inflation, because unemployment is a very salient and intuitive indicator which has been frequently used in the literature.

seated character of inequality aversion this should be irrespective of income. This would contradict Durr's (1993) argument that inequality aversion is a luxury only affordable in good economic times. Also, we expect the prospect of more inequality, typical concerns of left parties, to resonate better with participants that identify with these parties. They should be more strongly activated than in the objective frame (H4).

Third, in the deficit frame we add to the objective frame the sentence: "Experts say that unemployment benefits need to be cut, because the costs will skyrocket and push the budget further into deficit. Otherwise debts will be passed on to future generations". This frame reflects a welfare critical rhetoric typically adopted by right-wing parties. By emphasizing debts and deficits we seek to activate concerns for higher tax burdens because of excessive government spending and thereby reduce the effect of inequality aversion. Survey evidence demonstrates that citizens that perceive the welfare state as straining the economy discount redistributive goals (Giger & Nelson, 2013). Hence, we expect here that people choose to cut the unemployment programme for the sake of the budget, particularly if they have high incomes and pay more taxes (H5). Because this echoes – generally speaking – a message from a right-wing party, we expect participants that identify with a right-wing party to be more in favour of retrenching the unemployment programme than in other treatments (H6).

So far we have formulated expectations about income and partisanship. However, many people do not identify with a political party. Although partisans are very responsive to specific party cues or cues that resonate with their beliefs, they are less responsive to non-party cues (Taber & Lodge, 2006). Therefore the more partisans in a polity, the less economic voting takes place (Kayser & Wlezien, 2011). Independents, however, are more receptive to non-party cues and therefore we expect their responses to our frames to be

stronger than the responses of partisans (H7). Also, because these independents carry less ideological baggage we expect them to support the unemployment programme in the inequality treatment but support the reverse opinion in the deficit treatment.

Table 1. Overview of hypotheses

H1A:	Poor economic prospects lead to more support for unemployment benefits
H1B:	Poor economic prospects lead to less support for unemployment benefits
H2:	Poor economic prospects lead to more support for unemployment benefits *for individuals with low-income*
H3:	Poor economic prospects lead to more support for unemployment benefits *if inequality is emphasised*
H4:	Left-wing partisans support unemployment benefits more if inequality is emphasised
H5:	Poor economic prospects lead to less support for unemployment benefits *if debt and deficit are emphasised.*
H6:	Right-wing partisans support unemployment benefits less if debt and deficit are emphasised
H7:	Independents respond more strongly to our treatments than partisans

Design of the study

To evaluate these claims (see table 1) we fielded a survey experiment[3] in the UK with ca. 3500 respondents 18 years or older in December 2012. The sample is drawn from the YouGov panel and nationally representative on key variables such as gender, income, education and political preferences. We randomly assigned respondents to one of three experimental conditions or the control group.

We discuss our results in three ways. First, we compare the outcome of our dependent variable for each treatment. This allows us to evaluate the main effects of the

[3] We use a survey rather than a laboratory experiment, because it provides better comparability to existing research (which is pre-dominantly based on survey data) and greater external validity. Moreover, survey experiments are typically used in framing studies.

treatments (H1A, H1B and H5). Second, we regress support for retrenchment on dummies for the experimental conditions, income group and an interaction term between the experimental condition and income. This allows us to analyse heterogeneous treatments effects – i.e. the varying effect of income per treatment (H2 and H3). To measure income, we asked respondents for their annual household income and group them into three categories: low (<10'000 GBP), medium (10'0000 - 34'999 GBP) and high. We include the following control variables: age, gender, a dummy for holding a university degree, political knowledge and partisanship (for descriptives and operationalization see appendix). Our dependent variable is a choice between two options; hence we use binary logistic regression. Third, we repeat the analysis with an interaction term between partisanship and treatments. This allows us to analyse the remaining heterogeneous treatment effects (H4, H6 and H7). Respondents are coded as party identifiers if they state to feel close or very close to a party. Subsequently, they are coded into left (Labour), right (Conservatives) and other partisans (e.g. Liberal Democrats, UKIP and Greens). Given the unclear expectations we do not show results for 'other' partisans. All remaining respondents are coded as independents.

Do Poor Economic Prospects Drive Support for Unemployment Benefits?

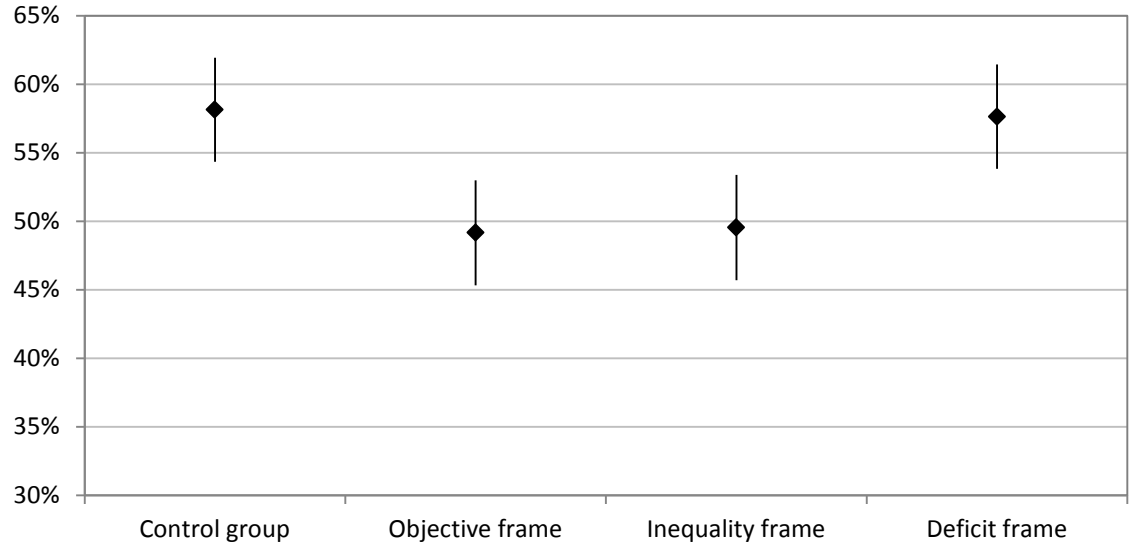
Figure 1 displays the proportion of respondents supporting retrenchment of unemployment benefits and the 95% confidence intervals of the proportion. In the control group there is a majority in favour of retrenchment (58%). This is plausible given the political context at the time of the survey, in which the coalition of Conservatives and Liberal Democrats strongly advocated reducing the budget deficit, not least by cutting unemployment benefits. We are, however, mostly interested in differences between experimental conditions. As predicted in

H1A the poor economic prospects in the objective frame push respondents on average to supporting unemployment benefits (49%) and thus bias them against retrenchment (significantly different with $p = 0.001$). This supports H1A and rejects H1B.

Virtually the same proportion of respondents (49%) supports keeping the unemployment benefits in the inequality frame (significantly different with $p = 0.002$). This could be expected as well, because concerns about inequality and poverty should increase support for social protection. Both findings are statistically and substantially significant, as support drops by nine percentage points and more importantly, the median voter swings from supporting retrenchment in the control group to supporting the benefits in both treatments.

The group exposed to the deficit frame is more in support of retrenchment than the participants exposed to the objective frame or the inequality frame (significantly smaller at respectively $p = 0.003$ and $p = 0.002$). The average support in this condition resembles the control group. Given the effects of the previous treatments, this is not a null finding. By emphasizing debts and deficits rather than inequality, support swings to retrenchment of the programme. In other words, the deficit frame produces a rightward shift in favour of retrenchment which offsets the leftward shift induced by objective economic news. Hence, although the treatment does seem ineffective if compared to the control group, it does not if compared to the objective and inequality treatment. This supports H5.

Figure 1: Proportion of respondents supporting cuts in unemployment benefits for different treatments (with 95% confidence intervals)



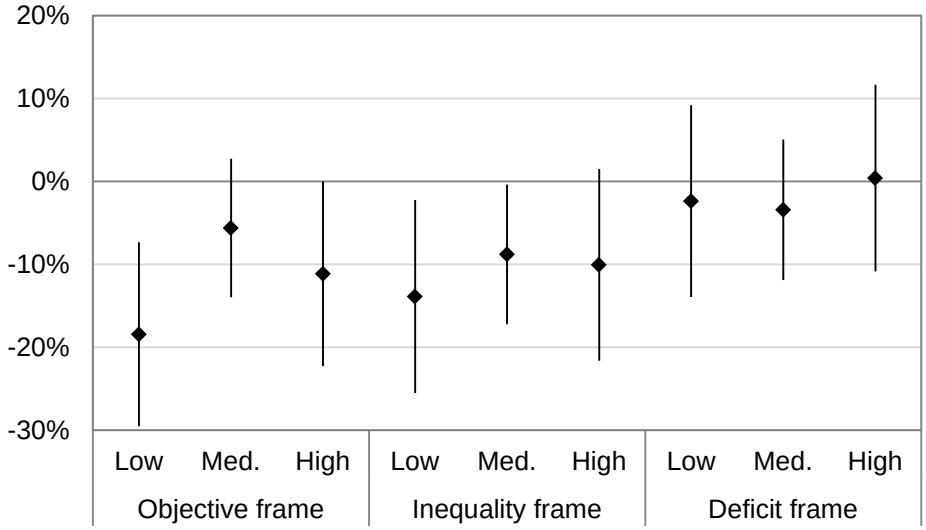
Does income matter for supporting unemployment benefits?

We present the results of our logistic regression analyses graphically in figure 2 (full tables in appendix). Figure 2 presents the differences in support for retrenchment for different income groups between the control group and the three treatments (marginal effects of the interaction term between income and treatments). We find that the treatment effects differ by income group. In the objective frame support for retrenchment is dramatically reduced among low incomes (significantly different at $p = 0.001$). This verifies H2. Interestingly, participants in the middle-income group were not more receptive for supporting unemployment benefits in the objective frame compared to the control group. However, individuals in the high-income group were less in support of retrenchment in the objective frame (significantly different at $p = 0.05$). In the inequality frame the middle-income group is significantly more in support of maintaining unemployment benefits (significantly different from control group at $p = 0.04$) just like the other two income groups. The differences between the objective frame and the inequality frame are however tiny and therefore

inequality aversion does not seem to add to the objective information. Apparently poor economic prospects already activate inequality concerns or demands for insurance among all income groups. Therefore we reject H3.

In the deficit frame we find that all three income groups support retrenchment more than in the objective condition. Most strikingly, low incomes are also susceptible to the right-wing message in the deficit frame and do not show stronger support for unemployment benefits as in the other conditions. This verifies H6. Overall we conclude that self-interest – based on income – has a limited moderating effect on our treatments.

Figure 2: Differences between control group and experimental conditions in proportion of respondents supporting cuts in unemployment benefits by income group (95% confidence intervals)



Note: Diamonds represent difference in proportions between a respective income category in the treatment and in the control group.

Do Partisans and Independents Respond Differently to the Same Information?

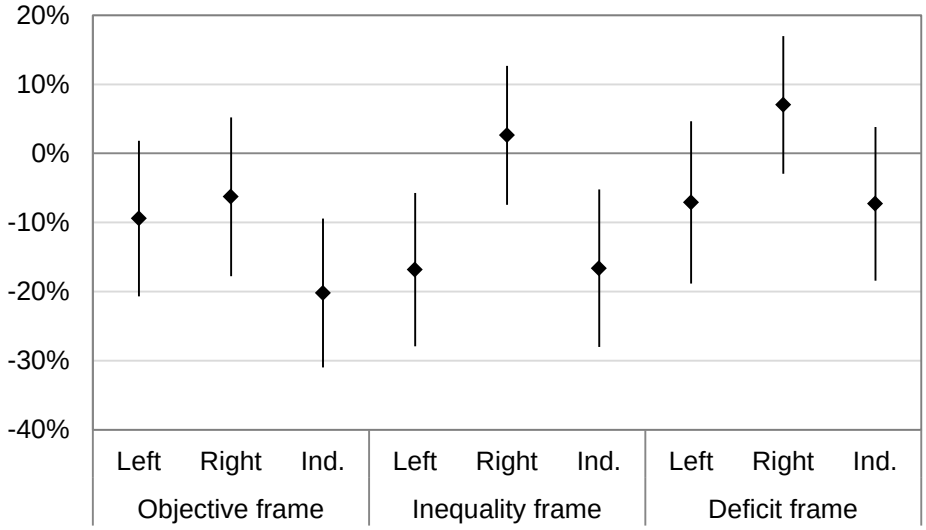
It appears from our previous analysis that ideologically biased messages blur class differences. If this is the case, party identification as a heuristic capturing ideological variation should be an influential variable. Indeed, party identification is a powerful

moderator of our treatments (Figure 3 – based on the logistic regression appendix table A3). Along the lines of our theoretical argument, independents drive the results when exposed to the objective frame. While they exhibit an almost twenty percentage point difference to untreated independents, no significant effect can be found for partisans of either camp. This supports H7.

In the inequality condition, left partisans can be mobilised against retrenchment, too. As predicted in H4, this group reacts stronger to the inequality frame than to objective information while the additional sentence makes hardly a difference for independents.

The deficit frame is interesting for three reasons. First, it has no effect on left partisans, who seem to ignore the 'right-wing message'. This mirrors the behaviour of right partisans in the inequality condition. Second, it mobilises support for retrenchment among right wing partisans as predicted by H6. In this group the treated individuals show an eight percentage point increase of support (significant only at 90 percent level of confidence). Third, the independents no longer support more unemployment benefits compared to the control group. Our interpretation is that independents have more ideological flexibility which makes them responsive to the deficit frame. In sum, the results support our H4, H6 and H7. Party identification is a strong psychological mechanism filtering economic information with clear effects on economic preferences.

Figure 3: Differences between control group and experimental conditions in proportion of respondents supporting cuts in unemployment benefits by party identification (UK, 95% confidence intervals)



Note: Diamonds represent difference in probabilities between a respective partisan category in the treatment and in the control group.

Discussion

This paper demonstrates that poor economic prospects drive support for sustaining generous unemployment benefits rather than increasing support for cut-backs. On a general level, this supports observational studies finding a leftward shift in times of high unemployment and refutes the argument that welfare support is a luxury reserved for good economic times. However, we also showed that it matters crucially how elites frame poor economic prospects. We found that the objective message as well as an emphasis on inequality increase support for unemployment benefits especially among independents and left-wing partisans. However, independents and right-wing partisans shift their support to retrenching unemployment benefits if the poor economic prospects are associated with government debt and budget deficit. Our treatments – in the form of small alterations to the text – even caused a preference shift of the median voter.

Our finding that independents do most of the preference shifting reinforces the model put forward by Kayser and Wlezien (2011) which demonstrates that only non-partisans engage in economic voting. This implies that partisans tend to ignore economic changes which could lead them to discount their own economic interest. Indeed, self-interest – based on income differences – had limited explanatory power in our experiment. However, we do acknowledge that self-interest could work through different mechanisms such as risk (Rehm, 2009).

By employing a survey experiment our study solves the problem that observational studies cannot separate the effects of the objective and subjective economy on political preferences. Together with a small but emerging literature (Kangas et al., 2013; Malhotra & Margalit, 2010; Petersen et al., 2012) our study reaffirms the importance of elite framing of the economy and partisanship in shaping preferences for economic policy.

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Appendix

For our operationalization of partisanship and income see main text. For education we created a dummy differentiating between respondents that finished university education (1) or not (0). We asked respondents for their gender (0: female, 1: male). Political knowledge is evaluated by means of 3 knowledge questions. First, who is the current chancellor of Germany? Second, who is the secretary-general of the United Nations? Third, who is the prime minister of the UK? Respondents provided open answers, and we were lenient vis-à-vis accepting misspelled names as correct (up to 4 errors). We categorized whether respondents had 0, 1, 2 or 3 correct answers. Finally, we also asked respondents' age.

Table A1. Descriptives per variable (no. of respondents per category).

Policy choice (dv)	Keep benefits 1269	Cut benefits 989		
Treatment	T1 558	T2 575	T3 565	T4 560
Partisanship	Left 617	Right 675	Independent 920	Other 46
Income	Low 637	Middle 1374	High 247	
Education	Not uni. 1242	Uni 1016		
Gender	Female 1087	Male 1171		
Political knowledge	0 q's correct 69	1 q correct 459	2 q's correct 1035	3 q's correct 695
Age	Mean 45.68	SD. 15.43	Min 18	Max 91

Table A2. Regressions with interaction treatment x income

	Model 1	
Treatments (ref = control)	B	S.E.
T1	-0.866*	0.272
T2	-0.647*	0.280
T3	-0.111	0.275
Income (ref = low)		
Middle	0.015	0.239
High	0.332	0.280
Treatment x Income		
T2 x Middle	0.605	0.336
T2 x High	0.339	0.384
T3 x Middle	0.238	0.344
T3 x High	0.171	0.396
T4 x Middle	-0.049	0.340
T4 x High	0.130	0.394
University	-0.053	0.105
Male	0.221*	0.103
Age	-0.010*	0.003
Partisanship (ref = left)		
Right	2.404*	0.163
Independent	1.028*	0.129
Other	0.916*	0.140
Political knowledge	0.009	0.056
Constant	-0.343	0.265
N	2258	
R2	0.114	

* p<.05

Table A3. Regressions with interaction treatment x partisans

	Model 2	
Treatments (ref = control)	B	S.E.
T1	-0.430	0.262
T2	-0.829*	0.287
T3	-0.318	0.269
Income (ref = low)		
Middle	0.211	0.124
High	0.471*	0.146
Treatment x Partisanship		
T2 x Right	0.064	0.432
T2 x Ind.	-0.411	0.353
T2 x Other	0.333	0.380
T3 x Right	1.008	0.454
T3 x Ind.	0.133	0.379
T3 x Other	0.499	0.401
T4 x Right	0.859	0.481
T4 x Ind.	0.004	0.364
T4 x Other	0.377	0.384
University	-0.046	0.105
Male	0.227*	0.103
Age	-0.010*	0.003
Partisanship (ref = left)		
Right	1.933*	0.312
Independent	1.120*	0.256
Other	0.628*	0.267
Political knowledge	0.005	0.056
Constant	-0.347	0.262
N	2258	
R2	0.116	

* p<.05