Whom to Blame? Assessing the Consequences of Financial Crisis under Authoritarian Media Environment

Kirill Chmel, Aigul Mavletova & Evgeniya Mitrokhina

Laboratory for Comparative Social Research,
National Research University "Higher School of Economics", Russia

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КРЫМСКАЯ
ВЕСНА
ЛЕТ В РОДНОЙ
ГАВАНИ

Project Motivation

- Relations between economic performance and political support of key political actors in authoritarian regimes (Bueno de Mesquita et al. 2003; Magaloni 2006; Treisman 2011)
- Information about the situation that citizens usually get from the media to evaluate economic outcomes
- Government's ability to censor economic news effectively is limited that is why the media tactically frames those facts to make the government appear as a competent manager (Guriev and Treisman 2015; Rozenas and Stukal 2018)

Project Motivation

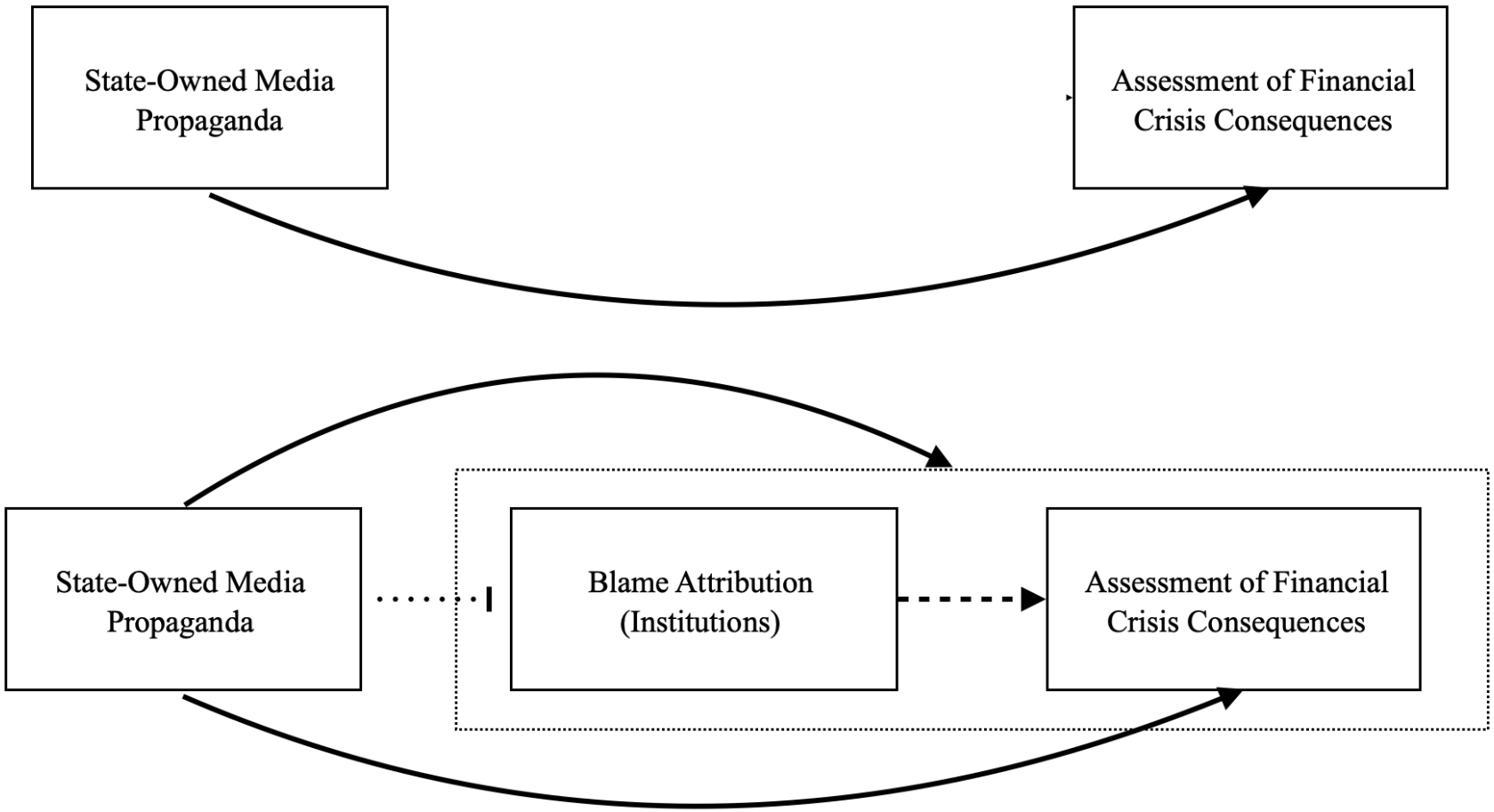
Policy outcome evaluations are moderated by humans' cognitive limitations (Anderson 2007; Achen and Bartels 2016)

- People do not immediately change their evaluations because of economic fluctuations, the perception of economic facts is conditioned by individuals' predisposition and political beliefs.
- Policy outcomes evaluations are affected not only by the perceived information but by individuals' blame attribution

Research Question

How propaganda moderated by blame attribution affects evaluation of economic consequences?

Theory (on a Scheme)



Hypotheses

H_1

a) Propaganda effect is triggered in the positive treatment: participants will evaluate economic consequences of the financial crisis more positive in the positive treatment compared to the control condition.

b) No effect is expected in the negative treatment.

H_2

Due to propaganda effect the blame attribution will have different effect on evaluation of economic consequences of the financial crisis depending in experimental treatments.

Participants

Survey of Russian population within the RSF project in September 2018 via the **OMI volunteer online access panel**. The overall sample size

was 1021 interviews with the start rate of 10% and breakoff rate of 14% (Baker R. et al., 2010):

- $N_{total} = 17,567$ invitations were sent
- $N_{quotafull} = 575$ respondents were screened out due to full quotas;
- $N_{break-off} = 160$ broke off;
- **N = 1021 completed the survey.**

52% of the respondents are women, the mean age is $\mu_{age} = 45.7$ (SD=14.0), 26% live in large cities with 1 mln+ inhabitants, 44% have higher education, 66% are married or live with partner.

Procedure

A short description of economic consequences of the financial crisis of 2014-2015 *(52 words)* given by **experts**.

Survey Experiment with Manipulative Design: Respondents were randomly assigned to one of the three conditions regarding the description of the financial crisis in Russia 2014-2015:

- 330 (32%) to the **control condition**:
- 330 (32%) to the **positive treatment condition**:
- 361 (35%) to the **negative treatment condition**:

Conditions

Control Condition

Experts did not have a general consensus on assessing the consequences of the crisis.

Positive Treatment

Such positive consequences as strengthening the position of domestic producers and creating new jobs were stressed; the messages which were discussed in most pro-government media.

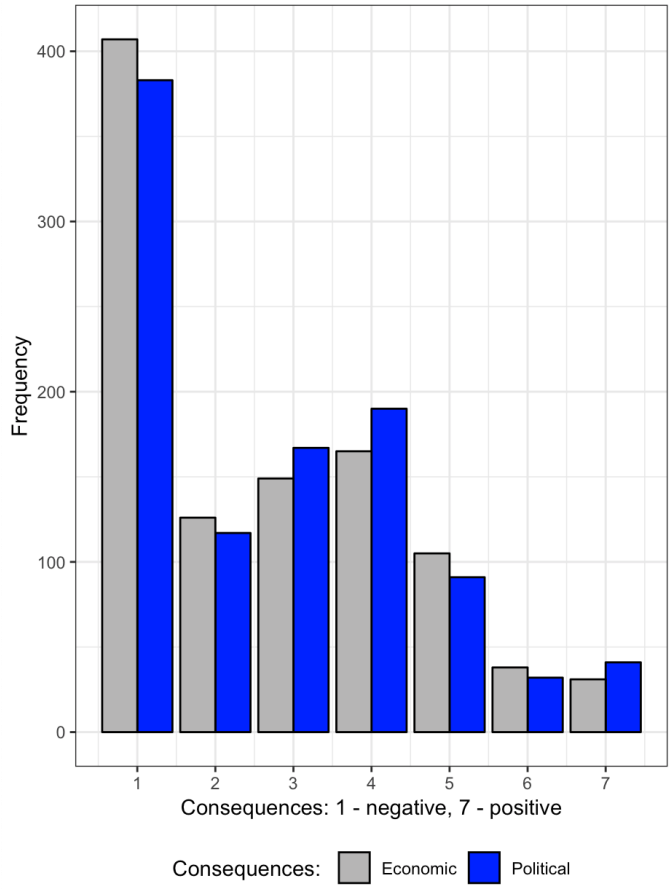
Negative Treatment

Such negative consequences as a failure of Russian manufacturers to replace imported goods and an increase of unemployment were stressed.

Measures: DV

1. What consequences did have an economic crisis for the Russian economy? Rate from 1 (negative consequences) to 7 (positive consequences). $M = 2.7$ ($SD = 1.7$)

2. What consequences did have an economic crisis for the Russian internal politics? Rate from 1 (negative consequences) to 7 (positive consequences). $M = 2.8$ ($SD = 1.7$)

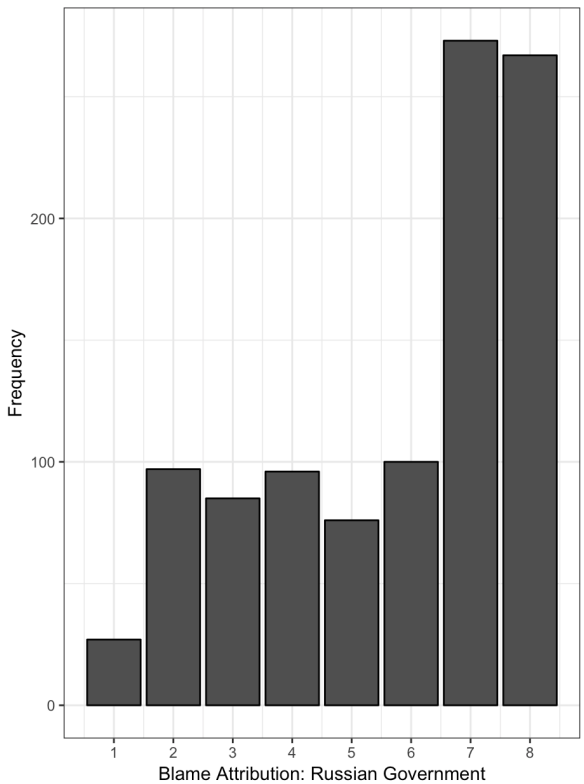


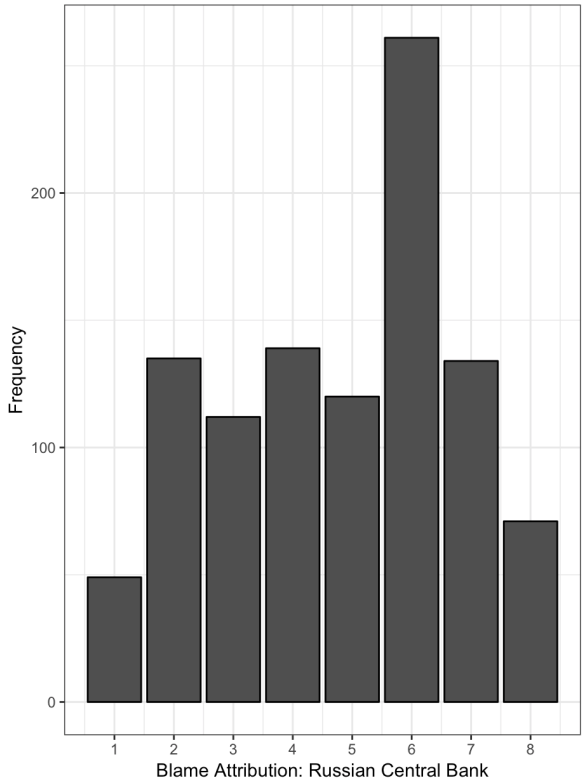
Measures: IV

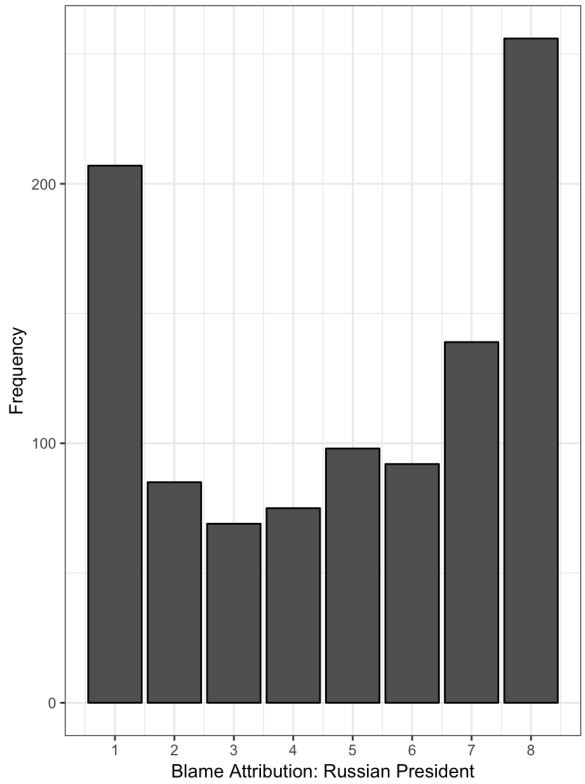
We asked whom they blamed for the consequences of the financial crisis. Respondents were expected to rank from those who are least responsible (1) to the most responsible (8) for the consequences of the financial crisis the following institutes:

1. President of the Russian Federation (M=4.8, SD=2.7)
2. Government of the Russian Federation (M=5.8, SD=2.2)
3. US government (M=4.3, SD=2.6)
4. Government of the European Union (M=3.8, SD=2.1)
5. Central Bank of the Russian Federation (M=4.8, SD=2.0)
6. Russian banks (Sberbank, VTB, etc.) (M=3.8, SD=2.0)
7. International Monetary Fund (M=4.2, SD=2.0)
8. International financial markets (M=4.4, SD=2.0)

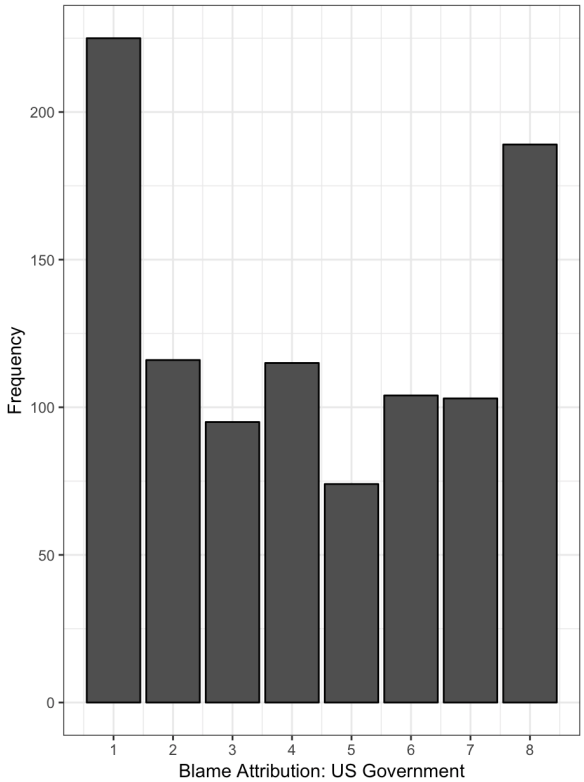
Measures: IV (Domestic Institutions)

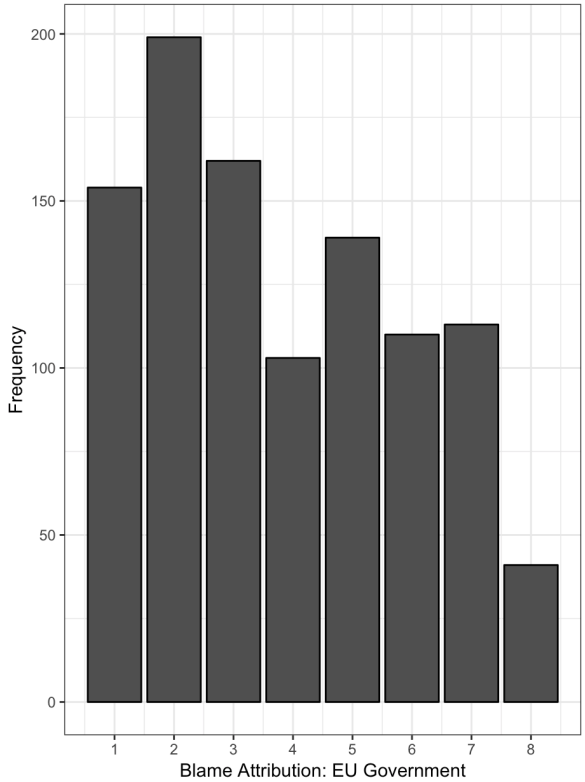






Measures: IV (Foreign Institutions)

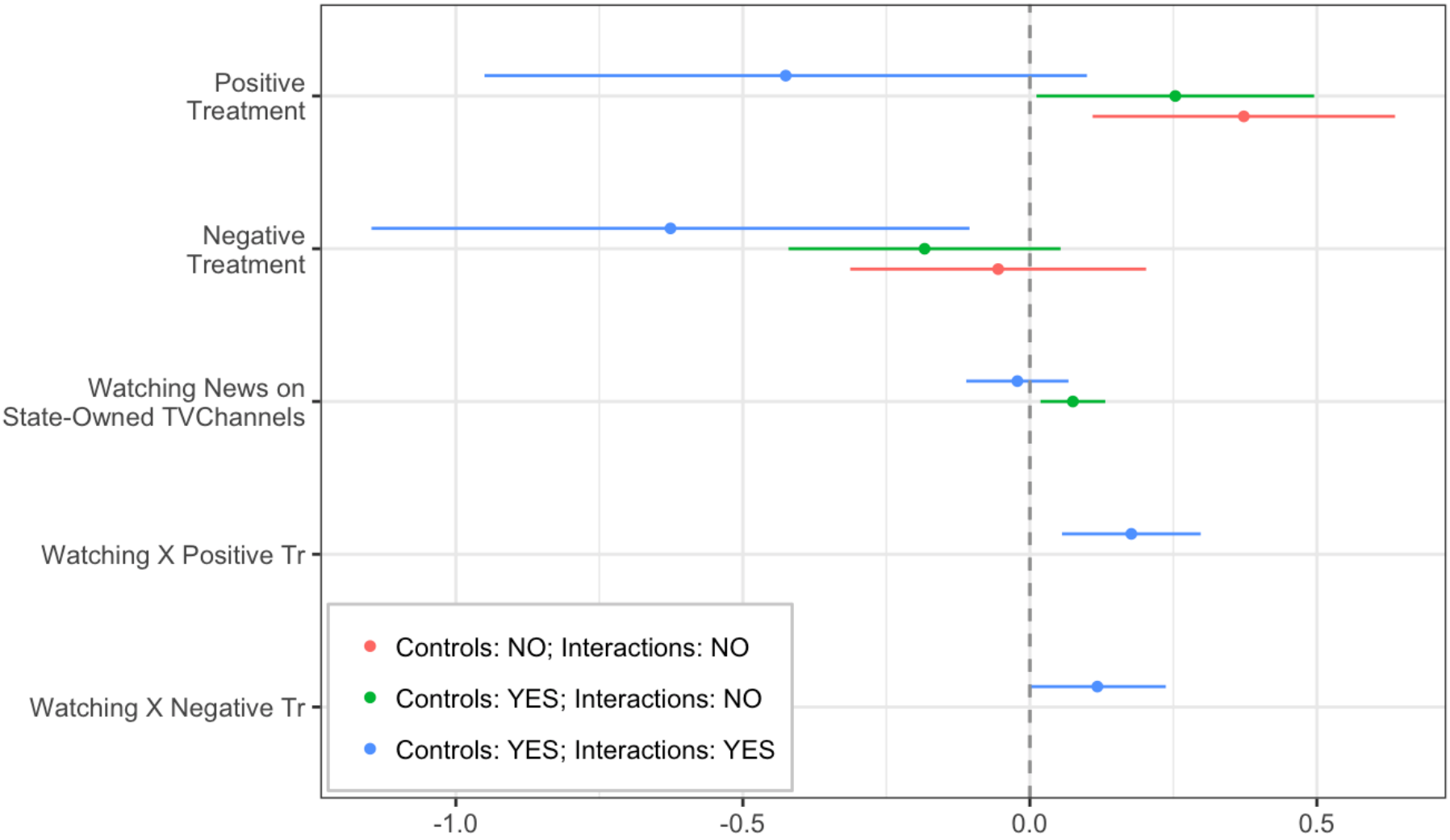




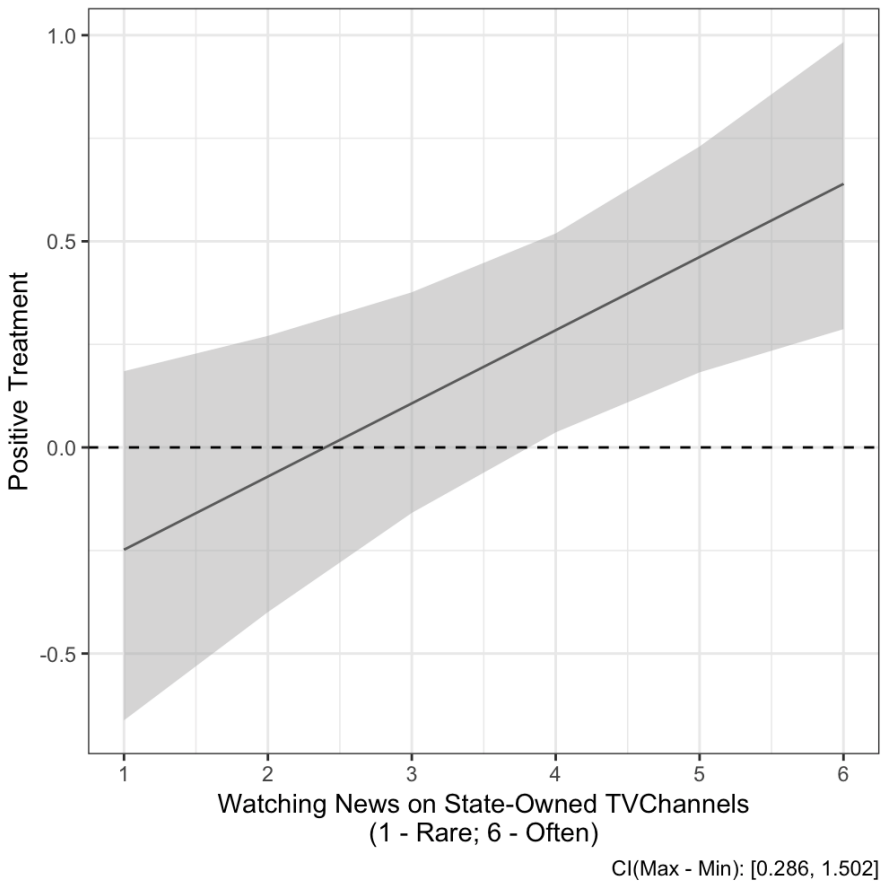
Measures: Controls

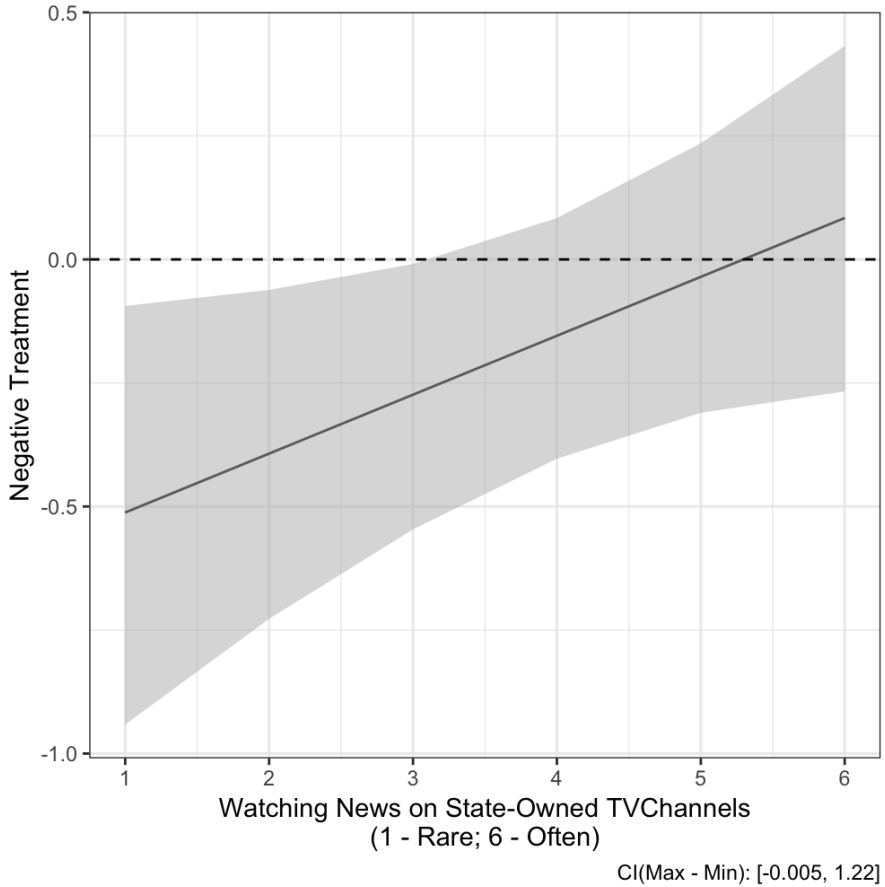
1. Evaluation of one's financial position over the past 3 years (-3 significantly worse; 3 - significantly improved)
2. Watching news on state-owned TV channels (1 – do not watch, 6 – every day or almost every day)
3. Consuming news from social media (1 – do not consume, 6 – every day or almost every day)
4. Interest in Politics (1 – no interest, 7 – high interest)
5. The country goes in the right direction
6. *Demographics:* Gender, Small city, No higher education, Have children, Income (1 – high, 10 – low)

Propaganda Effect: OLS Regression

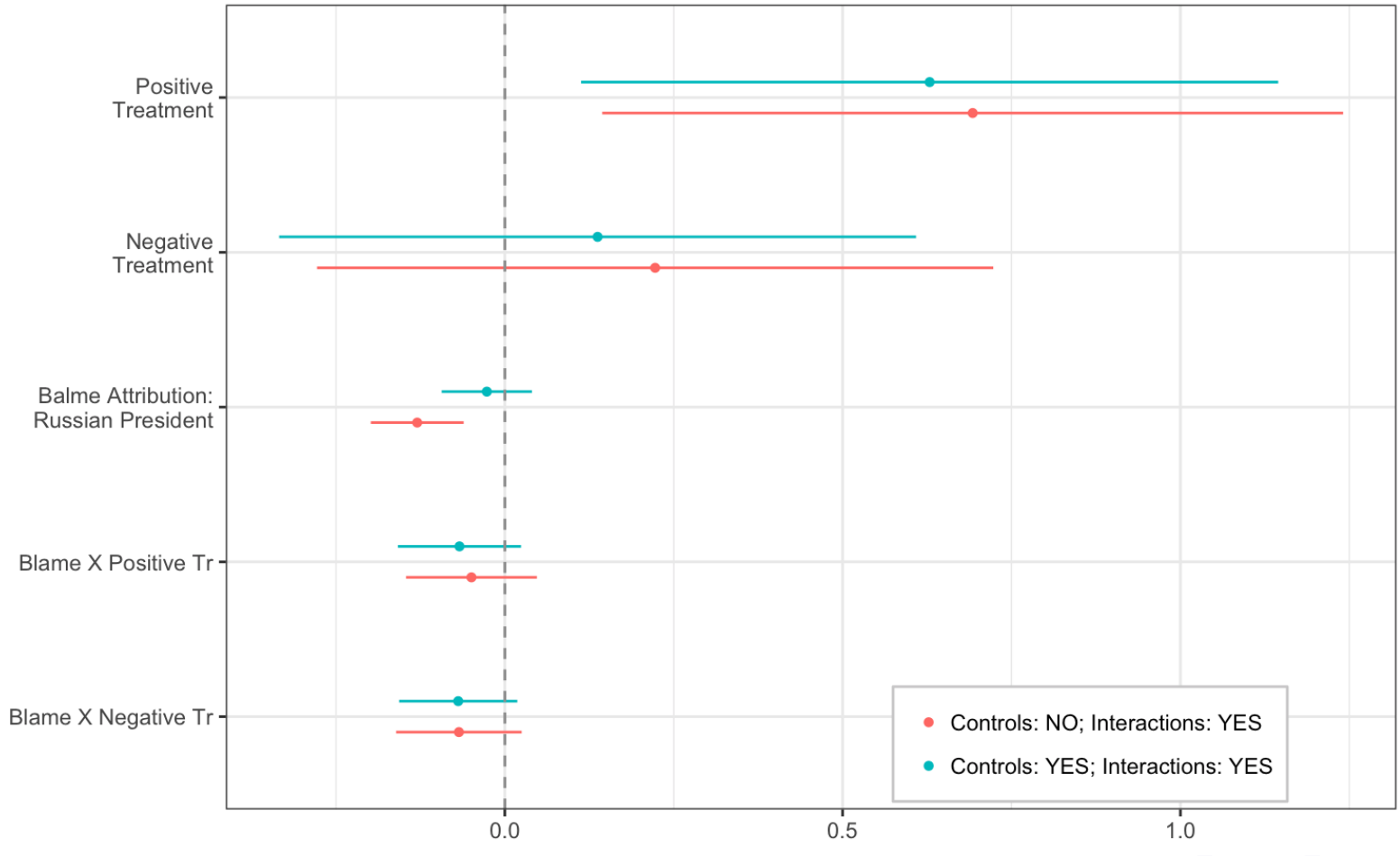


Propaganda Effect: Interaction Effects Margins

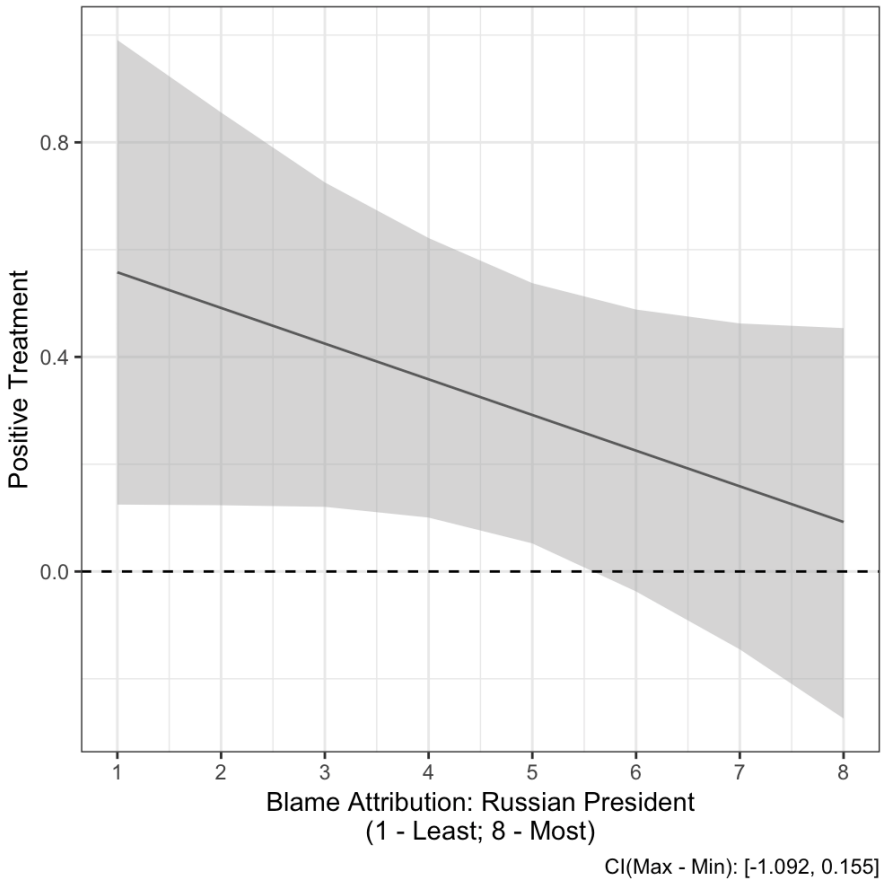


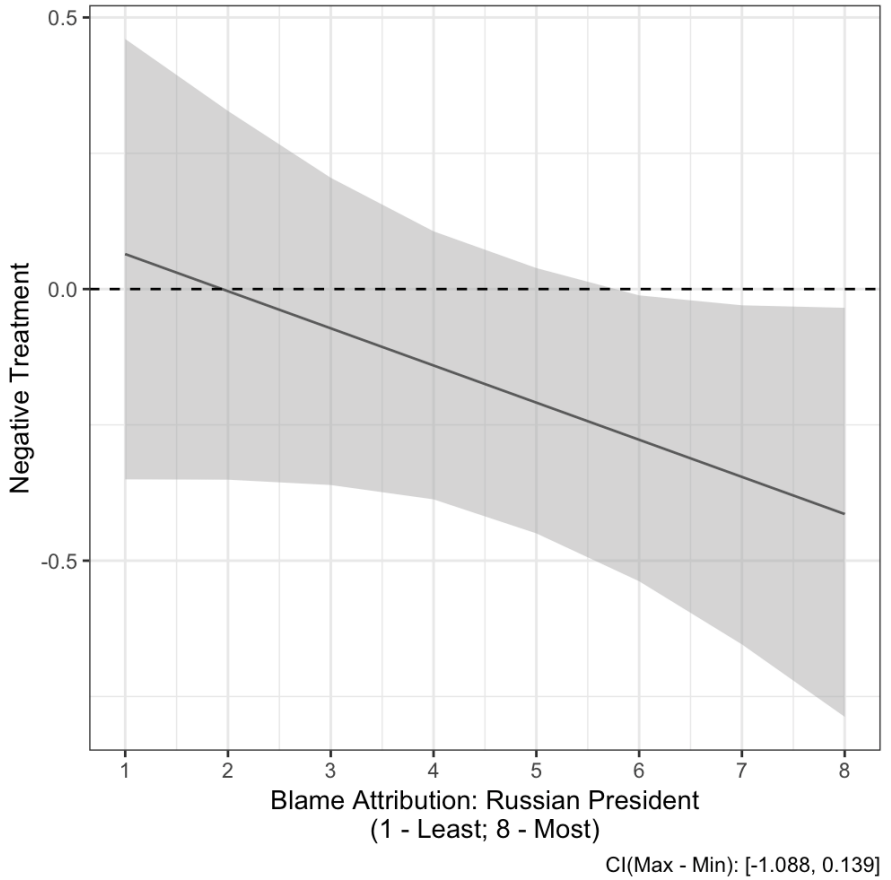


Propaganda Effect & Blame: OLS Regression (Russian President)

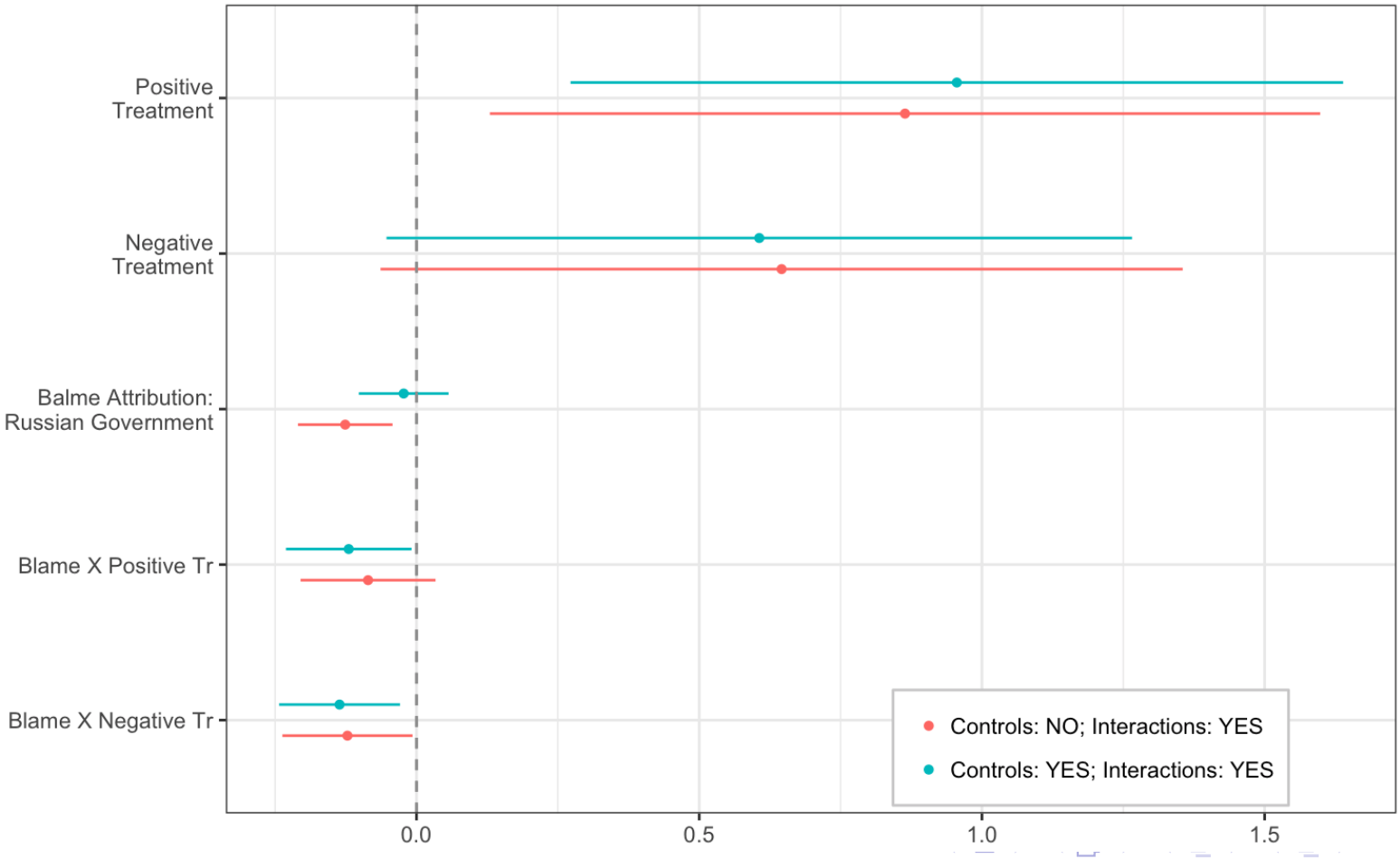


Propaganda Effect & Blame: Interaction Effects Margins (Russian President)

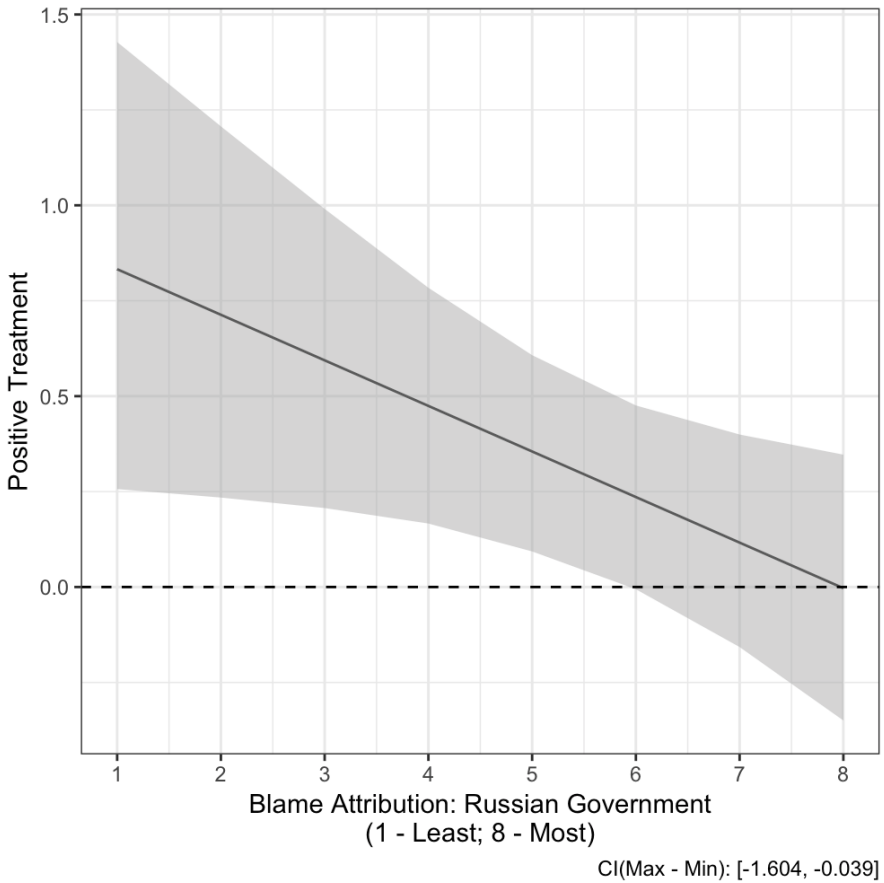




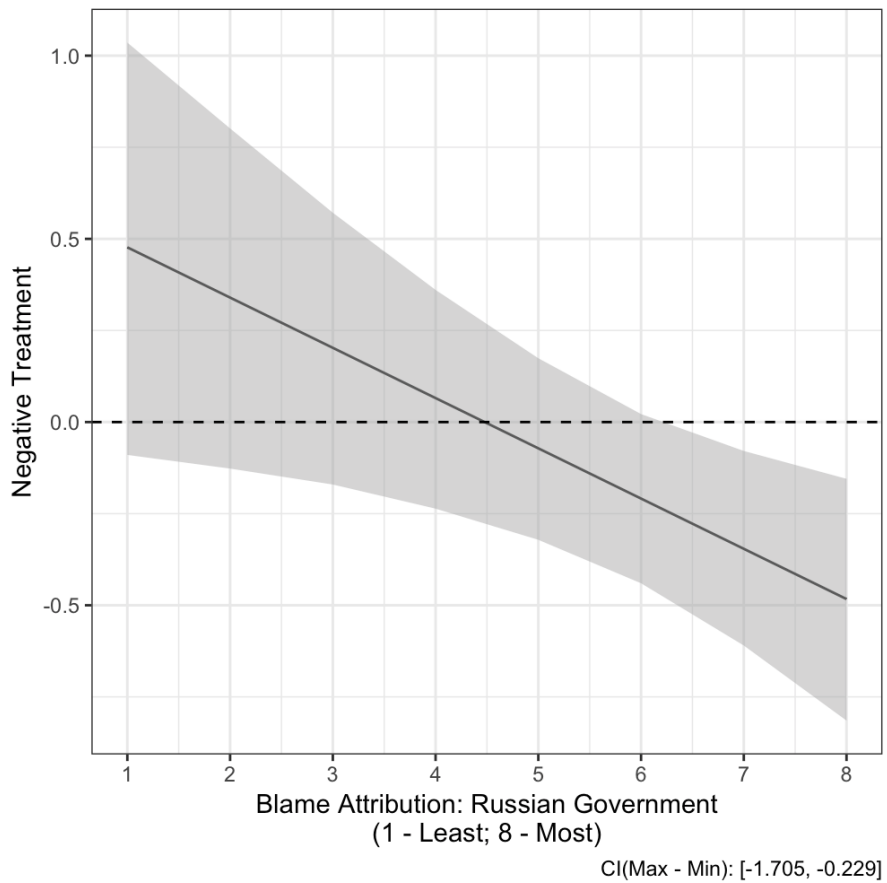
Propaganda Effect & Blame: OLS Regression (Russian Government)



Propaganda Effect & Blame: Interaction Effects Margins (Russian Government)

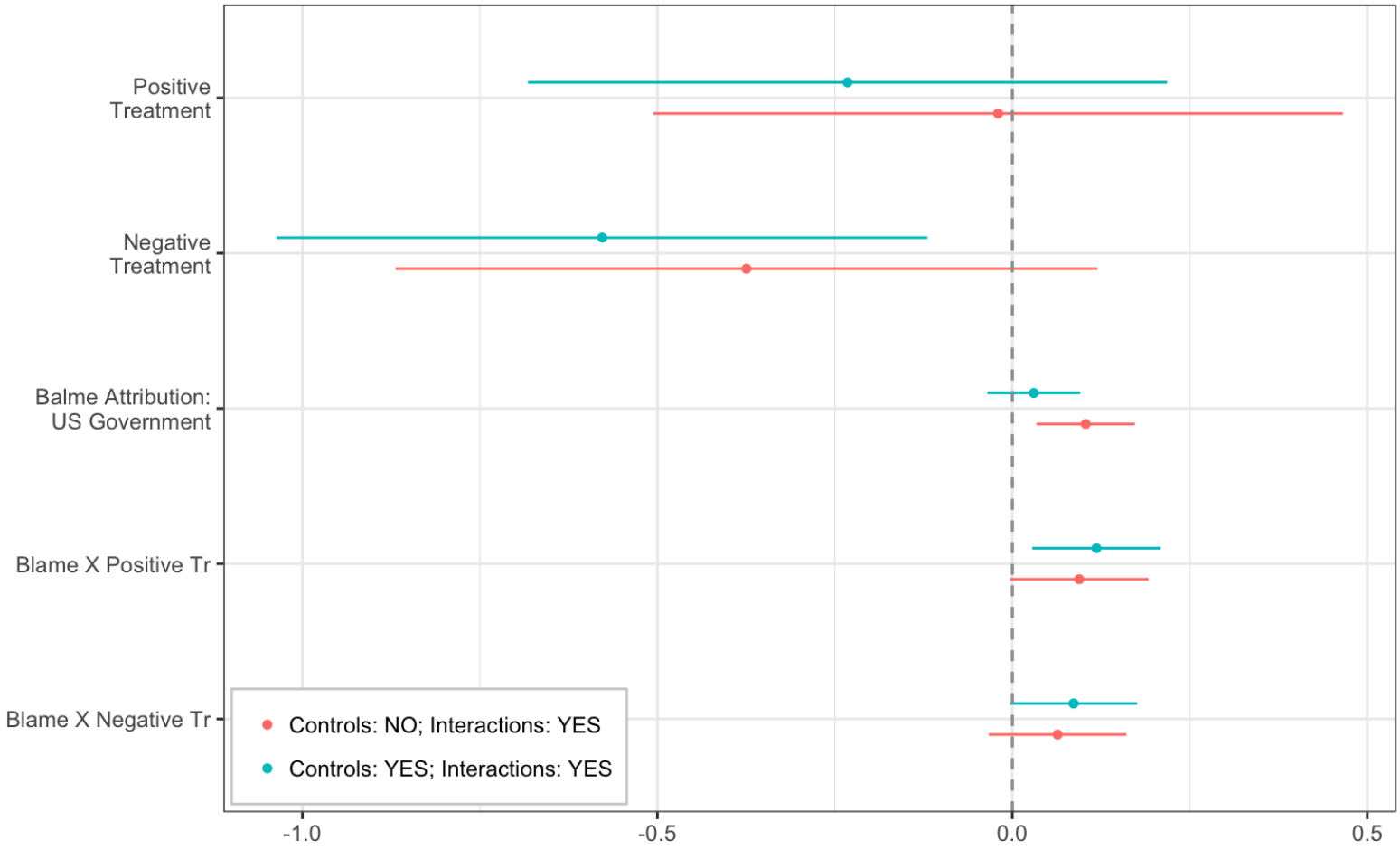


CI(Max - Min): [-1.604, -0.039]

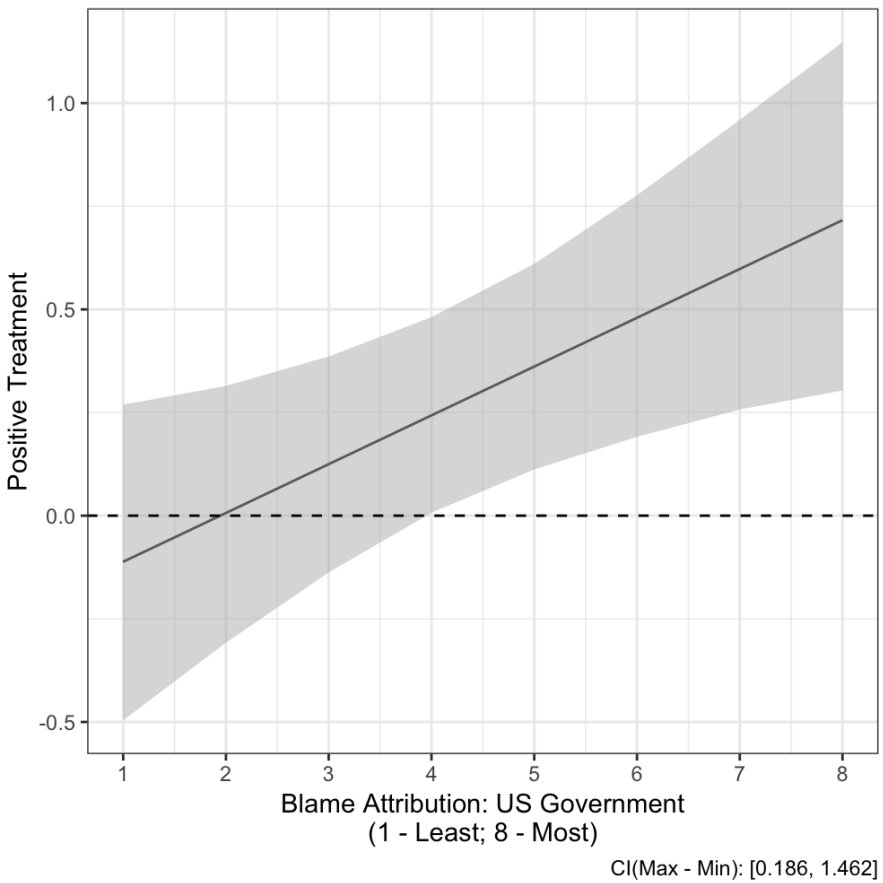


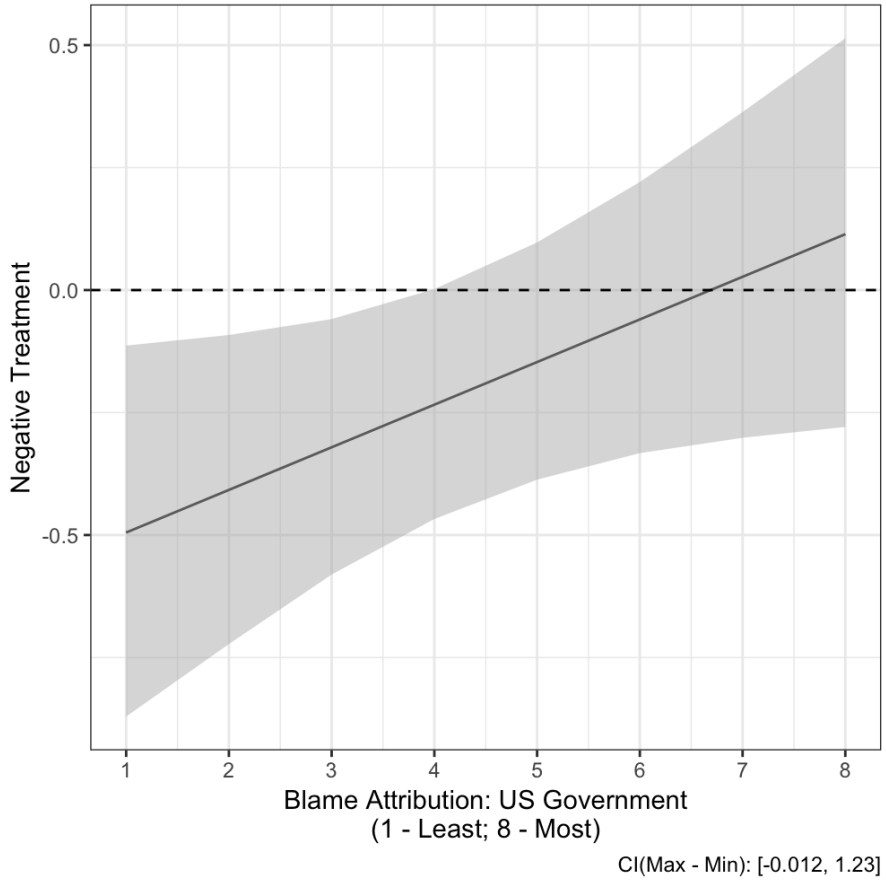
CI(Max - Min): [-1.705, -0.229]

Propaganda Effect & Blame: OLS Regression (US Government)

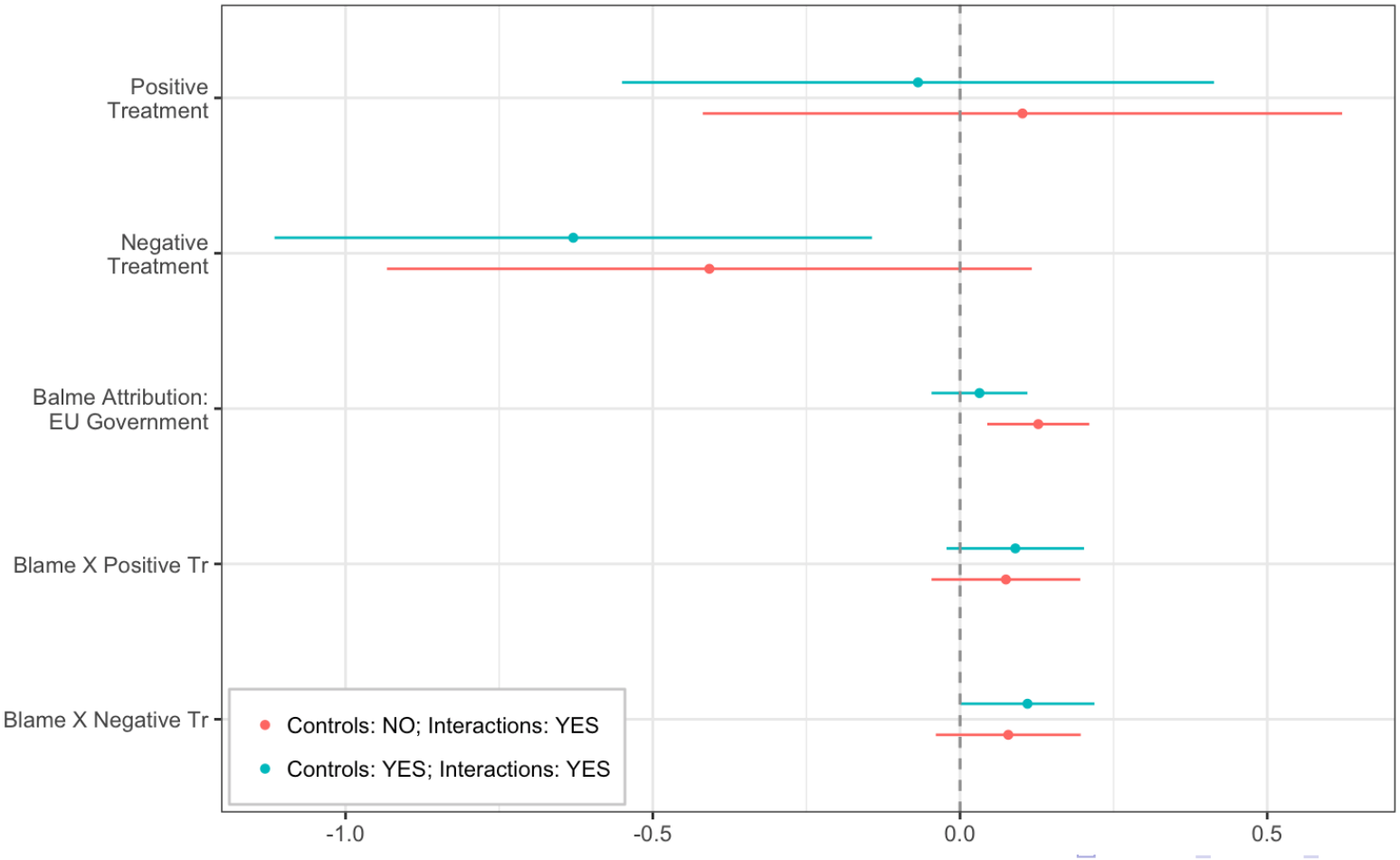


Propaganda Effect & Blame: Interaction Effects Margins (US Government)

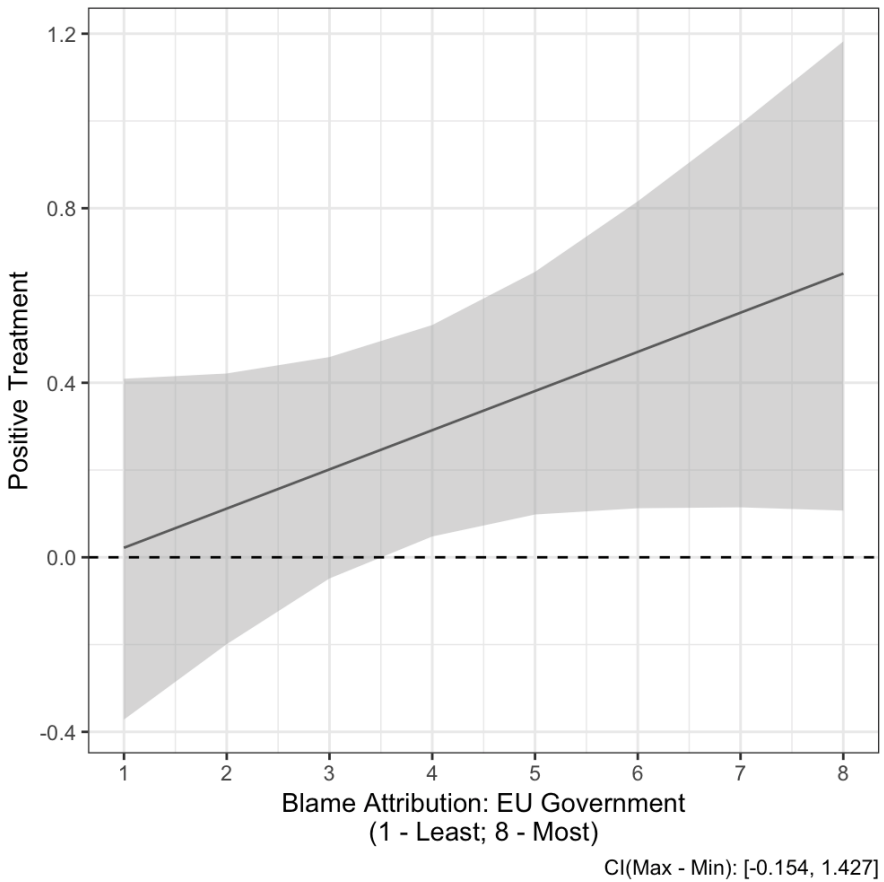




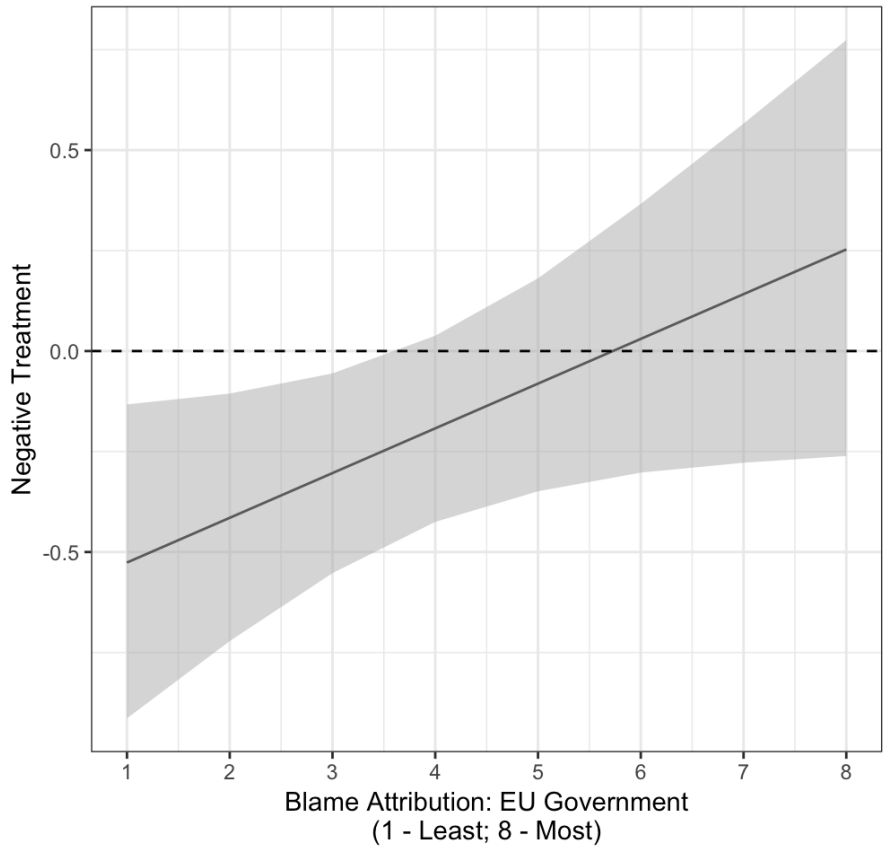
Propaganda Effect & Blame: OLS Regression (EU Government)



Propaganda Effect & Blame: Interaction Effects Margins (EU Government)



CI(Max - Min): [-0.154, 1.427]



CI(Max - Min): [-0.003, 1.548]

Discussion

Q&A