

CHAPTER 13

The 2008 Financial Crisis, the Great Recession and Austerity in Britain: Analysing Media Coverage Using the Herman-Chomsky Propaganda Model

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13.1 Introduction

The Propaganda Model (PM) developed by Edward Herman and Noam Chomsky – articulated in *Manufacturing Consent* in 1988 and Chomsky's *Necessary Illusions: Thought Control* in 1989 – falls clearly within the critical political economy tradition of mass media and communication research. Initially formulated to explain the performance of the mass media in the United States (US), its advocates and critics have long debated the relevance of the PM in countries with diverging media systems.¹ This chapter investigates the utility of the PM in Britain and how it can explain media coverage of the 2008 financial crisis and the Great Recession and austerity that followed.

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It begins with a brief overview of how the economic and political elite in Britain responded to the 2008 financial crisis (i.e. bailout), the ensuing recession (i.e. stimulus), and the consequent deterioration of the public finances (i.e. austerity). The second section presents original empirical data regarding mass media coverage of these events. It considers how mass media treated the idea of a wealth tax as a radical alternative to austerity. The third section applies the PM to such media coverage and suggests it is, indeed, relevant and applicable in Britain.²

13.1.1 *Sampling and Methods*

The chapter draws upon two sets of data from newspaper articles and television programmes. A Nexis database search was conducted using the terms ‘cuts’ or ‘recession’ and ‘crisis’ or ‘financial crisis’. The search focused on eight periods between 2008 and 2010, each of four weeks in duration, wherein significant events occurred. These included: (1) the bailout of the financial system (24 September to 21 October 2008); (2) the New Labour Government’s stimulus package (10 November to 7 December 2008); (3) the Conservative Party Leader’s ‘age of austerity’ speech (12 April to 9 May 2009); and (4) the party conference season (13 September to 10 October 2009). They also included (5) the Treasury Select Committee’s report on the 2008 financial crisis (13 November to 10 December 2009); (6) the 2010 General Election (15 April to 12 May 2010); (7) the Conservative-Liberal Democrat Coalition Government’s Emergency Budget (8 June to 5 July 2010); and (8) the Coalition Government’s Comprehensive Spending Review (8 November to 5 December 2010).

A sample of 1,586 articles was generated which encompassed news reports, commentary, editorials, and letters. It included 596 articles from *The Guardian* and *Observer* and 993 articles from the *Daily* and *Sunday Telegraph*. The *Guardian* and *Observer* represented the left while the *Daily* and *Sunday Telegraph* represented the right. These broadsheets demarcate the respective ends of the mainstream political spectrum in the mass media. A sample of 47 television programmes – produced by the British Broadcasting Corporation (BBC), the commercial Independent Television (ITV) network, Channel 4 and Channel 5 – broadcast between 2008 and 2015 on subjects related to the 2008 financial crisis, the Great Recession and austerity were recorded. These included several episodes of current affairs series such as the BBC’s *Panorama* and Channel 4’s *Dispatches*, commissioned programmes and live television debates.

Following the methodological approach pioneered by the Glasgow Media Group over three decades ago,³ analysis of newspaper articles and television programmes focused on identifying (a) the primary sources used; (b) the main

issues discussed plus those that were absent; (c) the quantity of text devoted to the main issues; and (d) the key discourses constructed. The comparative nature of the analysis enabled two secondary propositions to be tested. Firstly, coverage in *The Guardian* and *Observer*, which are ostensibly progressive newspapers, should reflect a broader and more oppositional (i.e., anti-austerity) range of voices, issues, and discourses. Secondly, the regulatory duties of Britain's broadcasters to ensure balanced reporting, due accuracy and due impartiality – which do not pertain to Britain's newspapers – should result in more critical and diverse coverage.

13.2 The 2008 Financial Crisis, the Great Recession and Austerity in Britain

The 2008 financial crisis and the Great Recession and austerity that followed had a significant economic, political, and social impact on Britain as a private sector debt crisis was converted, both discursively and policy-wise, into a sovereign (i.e., public sector) debt crisis.⁴ In October 2008, with the financial system reportedly on the brink of collapse, the New Labour Government spent £500 billion on a bailout of the financial system and nationalised some of Britain's biggest financial institutions at a cost of £850 billion. It spent a further £200 billion in 2008 and 2009 on an economic stimulus package designed to mitigate the Great Recession. Although such action helped prevent economic calamity, it resulted in a marked deterioration of public finances. Sensing an opportunity to restore the neoliberal order after the New Labour Government's brief flirtation with Keynesianism, in April 2009 the Conservative Party argued that Britain was 'living beyond its means' and insisted that restoring the public finances would require significant public spending cuts and an 'age of austerity'.⁵

The Conservatives successfully transformed the discursive and ideological terrain; the three main political parties contested the 2010 General Election pledging to eliminate the budget deficit and reduce the level of national public debt. The Conservative-Liberal Democrat Coalition Government, formed in May 2010, introduced substantial public spending cuts and a programme of privatization with the support of the corporate sector and a network of right-wing pressure groups and think tanks. Having initially opposed such measures, from June 2011 the Labour Party embraced much of the Coalition Government's agenda in the form of its policy of 'austerity-lite'.⁶ Some opposition appeared during this period, however. Certain political parties rejected austerity, while left-wing pressure groups, think tanks, and the student and trade union movements helped to organise demonstrations, engaged in strike action and promoted alternatives to public spending cuts (see Table 13.1).

Supporters of Austerity	Opponents of Austerity
1. Conservative Party	9. Green Party
2. Labour Party (until 2015)	10. Plaid Cymru
3. Liberal Democrats	11. Scottish National Party
4. United Kingdom Independence Party	12. Trades Union Congress and wider trade union movement
5. Corporate sector (e.g. British Chambers of Commerce; Confederation of British Industry; Federation of Small Businesses; Institute of Directors)	13. Left-wing think tanks (e.g. Institute for Public Policy Research)
6. British State (e.g. Treasury)	14. Left-wing pressure groups (e.g. People's Assembly Against Austerity, UK Uncut)
7. Right-wing think tanks (e.g. Adam Smith Institute, Institute of Economic Affairs)	
8. Right-wing pressure groups (e.g., Taxpayers' Alliance)	

Table 13.1: Position of Key Economic and Political Organizations on Austerity.

Nevertheless, the twin objectives of tackling the budget deficit and reducing the level of national public debt, via swingeing public spending cuts rather than substantial revenue-raising, became the 'new normal' in a classic example of what Naomi Klein termed the 'shock doctrine'.⁷ In short, Britain's economic and political elite, having utilised taxpayers' money to rescue the financial system and stimulate the economy, cynically embraced austerity in yet another attempt to reconfigure the state to further their commercial interests and boost their political power.

13.3 Mass Media Coverage in Britain

13.3.1 Newspaper Coverage

One of the most important aspects of any media analysis is to establish who gets to speak. In other words, which individuals and organizations constitute the primary sources of news and information used by editors and journalists when they construct their articles? These primary sources, which are often viewed as credible, have the power to set the agenda and to frame the parameters of debate. The primary sources used in the *Guardian/Observer* and *Telegraph* articles between 2008 and 2010 are shown in Table 13.2.

The *Guardian/Observer* and *Telegraph* articles exhibited similar sourcing patterns. Members of the New Labour and Coalition governments, their official oppositions and their spokespeople constituted the primary source in 28% of *Guardian/Observer* articles and 22% of *Telegraph* articles. Other prominent sources included corporations (14.4 and 30% respectively); the financial sector (5.2 and 12% respectively); and the Bank of England and other financial regulators (3.2 and 5.4% respectively). By contrast,

Primary Source	<i>Guardian/Observer</i> Number of articles (% of all <i>Guardian/Observer</i> articles)	<i>Daily/Sunday Telegraph</i> Number of articles (% of all <i>Telegraph</i> articles)
Corporate representative	86 (14.4%)	228 (30)
Foreign government representative	50 (8.4)	94 (9.5)
Prime Minister	34 (5.7)	73 (7.4)
Government Department spokesperson	64 (10.7)	70 (7)
British bank representative	12 (2)	63 (6.3)
Foreign bank representative	18 (3)	52 (5.2)
Bank of England	16 (2.7)	41 (4.1)
Cabinet Minister/ spokesperson	32 (5.4)	30 (3)
Chancellor of the Exchequer	17 (2.9)	28 (2.8)
Economist	10 (1.7)	27 (2.7)
Non-governmental organization (NGO) representative	17 (2.9)	22 (2.2)
Conservative politician	11 (1.8)	19 (1.9)
European Union representative	3 (0.5)	17 (1.7)
Former politicians	9 (1.5)	17 (1.7)
Scottish and Welsh politicians	4 (0.7)	17 (1.7)
Public sector representative	21 (3.5)	16 (1.6)
Celebrity	8 (1.3)	15 (1.5)
Member of the public	23 (3.9)	14 (1.4)
Financial regulator	3 (0.5)	13 (1.3)
International Monetary Fund representative	14 (2.3)	13 (1.3)
Leader of the Opposition	7 (1.2)	12 (1.2)
Media organization	12 (2)	10 (1)
Transnational organization	4 (0.7)	10 (1)
Trade union representative	13 (2.2)	8 (0.8)
Think tank representative	5 (0.8)	7 (0.7)
European Central Bank	2 (0.3)	7 (0.7)

Table 13.2: Primary Sources Used in Coverage of 2008 Financial Crisis, the Great Recession and Austerity in the *Guardian/Observer* and the *Daily/Sunday Telegraph* (2008-2010).

Primary Source	<i>Guardian/Observer</i> Number of articles (% of all <i>Guardian/Observer</i> articles)	<i>Daily/Sunday Telegraph</i> Number of articles (% of all <i>Telegraph</i> articles)
Charity representative	12 (2)	6 (0.6)
Banking sector lobbyist	1 (0.2)	5 (0.5)
Shadow Chancellor/Minister/ Spokesperson	8 (1.3)	4 (0.4)
Labour politician	7 (1.2)	4 (0.4)
Academic	20 (3.4)	4 (0.4)
Liberal Democrat politician	2 (0.3)	2 (0.2)
Religious leader	2 (0.3)	2 (0.2)
Royal Family	1 (0.2)	2 (0.2)
Deputy Prime Minister	5 (0.8)	1 (0.1)
Green politician	0	1 (0.1)
Organization for Economic Cooperation and Development representative	1 (0.2)	1 (0.1)
World Bank representative	2 (0.3)	0
Anti-cuts activists	5 (0.8)	0

Table 13.2: Continued.

members of the public constituted the primary source in only 3.9% of *Guardian/Observer* articles and 1.4% of *Telegraph* articles. Other relatively neglected sources included the public sector (3.5 and 1.6% respectively); trade unions (2.2 and 0.8% respectively); and anti-cuts activists (0.8 and 0% respectively). Put simply, the corporate elite and their political allies who caused the 2008 financial crisis and the subsequent Great Recession, and who systematically profited from these events, were dominant in terms of sourcing. Meanwhile, the voices of the victims of austerity (i.e. members of the public and public sector), or those arguing for alternatives (i.e. anti-cuts activists and trade unions), were marginalised. Some notable sourcing differences, however, appeared. The *Telegraph* articles were twice as likely to prioritise the voices of corporations and the financial sector, while the *Guardian/Observer* articles were twice as likely to feature oppositional voices (i.e. members of the public, the public sector and trade unions) – albeit in a small number of cases.

The main issues discussed in the *Guardian/Observer* and *Telegraph* articles between 2008 and 2010 are set out in Table 13.3.

Main Issue	<i>Guardian/Observer</i>	<i>Daily/Sunday Telegraph</i>
	Number of articles (% of all <i>Guardian/Observer</i> articles) Number of words in sum	Number of articles (% of all <i>Telegraph</i> articles) Number of words in sum
Trade (impact of crisis/cuts/recession on)	72 articles (12.1%) 42,726 words	153 (15.4) 63,214
Stocks and shares (impact on)	19 (3.2) 9,956	101 (10.2) 59,622
Bailout (details of)	37 (6.2) 21,901	98 (9.9) 62,252
Party politics (influence of/impact on)	52 (8.7) 38,188	82 (8.3) 47,330
Spending cuts (Government Departments)	56 (9.4) 8,958	61 (6.1) 25,141
Human cost (of crisis/cuts/recession)	66 (11) 43,967	54 (5.4) 29,037
Interest rates/inflation (impact on)	7 (1.2) 3,742	46 (4.6) 17,810
Financial system (failure of)	13 (2.2) 7,079	44 (4.4) 23,740
Property market (impact on)	5 (0.8) 2,196	34 (3.4) 16,989
Failing banks	7 (1.2) 4,025	27 (2.7) 15,631
Private sector redundancies	18 (3) 7,335	23 (2.3) 6,053
Financial cost (of bailout/cuts/recession)	11 (1.8) 5,379	23 (2.3) 11,353
Employment (impact on)	15 (2.5) 8,025	19 (1.9) 7,988
Taxes (changes to)	8 (1.4) 4,141	17 (1.7) 8,710
Regulators (failure of)	4 (0.7) 3,308	17 (1.7) 11,349
Eurozone (impact of/on)	3 (0.5) 2,620	14 (1.4) 11,145

Table 13.3: Main Issues Discussed in Coverage of the 2008 Financial Crisis, the Great Recession and Austerity in the *Guardian/Observer* and the *Daily/Sunday Telegraph* (2008-2010).

Main Issue	<i>Guardian/Observer</i>	<i>Daily/Sunday Telegraph</i>
	Number of articles (% of all <i>Guardian/Observer</i> articles) Number of words in sum	Number of articles (% of all <i>Telegraph</i> articles) Number of words in sum
Government spending (impact on)	18 (3) 8,958	11 (1.1) 6,991
Activist state (return of)	4 (0.7) 2,886	11 (1.1) 8,372
International relations (impact on)	9 (1.5) 7,793	11 (1.1) 5,096
Profligate public spending (as cause)	11 (1.8) 6,576	10 (1) 3,745
Demonstrations/protests (against austerity)	55 (9.2) 30,441	9 (0.9) 4,613
Systemic causes (of economic crisis)	8 (1.3) 5,821	9 (0.9) 6,546
Government-backed guarantee schemes	1 (0.2) 658	9 (0.9) 3,744
Public sector redundancies	8 (1.3) 3,829	9 (0.9) 3,373
Welfare benefit cuts	16 (2.7) 7,014	8 (0.8) 5,112
Greedy bankers (as cause of economic crisis)	2 (0.3) 700	8 (0.8) 3,494
Individuals responsible (for economic crisis)	2 (0.3) 1,219	7 (0.7) 4,470
Neoliberalism (claimed demise of)	1 (0.2) 435	7 (0.7) 5,242
Public sector pay cuts	10 (1.6) 4,633	7 (0.7) 2,314
Green policies (impact on)	6 (1) 4,393	6 (0.6) 2,744
Regulatory changes (claimed need for/proposed)	1 (0.2) 657	6 (0.6) 2,410
Tax rises (in general)	4 (0.7) 2,344	6 (0.6) 2,176
Other failing financial institutions (i.e. other than banks)	1 (0.2) 1,757	6 (0.6) 2,435

Table 13.3: Continued.

Main Issue	<i>Guardian/Observer</i>	<i>Daily/Sunday Telegraph</i>
	Number of articles (% of all <i>Guardian/Observer</i> articles) Number of words in sum	Number of articles (% of all <i>Telegraph</i> articles) Number of words in sum
Government social programmes (impact on e.g. Sure Start)	7 (1.2) 3,863	6 (0.6) 2,435
Strike action	1 (0.2) 272	5 (0.5) 1,135
Education system (impact on)	11 (1.8) 9,051	5 (0.5) 1,628
Arrests/criminal charges (lack of)	0	3 (0.3) 1,526
Nationalization of banks	1 (0.2) 600	3 (0.3) 2,190
Economic models/theories (failure of)	0	2 (0.2) 1,175
Increased taxes on the rich	1 (0.2) 717	2 (0.2) 684
Pension system reforms (e.g. closure of final salary schemes)	2 (0.3) 483	2 (0.2) 1,408
Local government spending cuts	3 (0.5) 1,045	2 (0.2) 413
Misunderstanding of financial risk	0	2 (0.2) 2,296
Tackling tax avoidance and tax evasion	1 (0.2) 412	1 (0.1) 803
Quantitative Easing	2 (0.3) 2,027	1 (0.1) 799
Housing Benefit cuts	6 (1) 2,937	1 (0.1) 411
Reduced working hours/rise of part-time working	1 (0.2) 631	1 (0.1) 268
Credit rating agencies (complicity of)	0	1 (0.1) 283
Sub-prime housing market (as cause of economic crisis)	2 (0.3) 1,427	1 (0.1) 819
Abolition of quangos	2 (0.3) 1,004	1 (0.1)

Table 13.3: Continued.

Main Issue	<i>Guardian/Observer</i>	<i>Daily/Sunday Telegraph</i>
	Number of articles (% of all <i>Guardian/Observer</i> articles) Number of words in sum	Number of articles (% of all <i>Telegraph</i> articles) Number of words in sum
Big Society	3 (0.5) 2,865	0
End of inflation-indexed welfare benefits	2 (0.3) 2,089	0
Privatization of public services	1 (0.2) 1,046	0
Wealth tax	0	0
Land tax	0	0
Tax on bankers' bonuses	0	0
Tax on financial institutions	0	0

Table 13.3: Continued.

Both the *Guardian/Observer* and *Telegraph* articles downplayed the causes of the 2008 financial crisis and the Great Recession. Only 4.5% of *Guardian/Observer* articles and 5% of *Telegraph* articles explored the role of greedy and reckless bankers; the complicity of the credit rating agencies; sub-prime mortgages; flawed economic models; 'high public spending'; regulatory failure; and systemic factors (i.e. capitalism). Significantly, the demonstrably false charge of 'profligacy' by the New Labour Government was twice as likely to be cited in the *Guardian/Observer* articles, while only the *Telegraph* articles attended to the lack of criminal prosecutions against bankers, politicians, and/or regulators. A significant number of *Guardian/Observer* and *Telegraph* articles detailed the bailout of the financial system and stressed the consequences of this for the public finances (8% and 12.2% respectively). Only 0.3% of *Guardian/Observer* articles and 0.3% of *Telegraph* articles, however, mentioned higher taxes levied on the rich and the efforts to tackle tax avoidance and tax evasion by corporations and wealthy individuals. Moreover, no consideration was given to the various ways in which substantial revenues might have been generated, as alternatives to spending cuts, in either the *Guardian/Observer* or the *Telegraph* articles. Attention to radical measures such as a banker bonus tax, a financial transactions tax, a land tax and a wealth tax⁸ – which could have helped to avoid austerity and a prolonged recession – were conspicuously absent.

Some notable thematic differences, however, emerged. The *Guardian/Observer* articles focused more on the human and social impact of the Great Recession and austerity while the *Telegraph* articles tended to concentrate on the macro-economic aspects of the 2008 financial crisis and the Great Recession. More

specifically, and manifest in both the number of articles and the volume of text on these issues, 40.1% of *Guardian/Observer* articles, but only 21% of *Telegraph* articles, discussed the loss of public services, public sector pay cuts and pension changes, public and private sector redundancies, and welfare benefit cuts. Meanwhile, 33.6% of *Telegraph* articles, but only 17.3% of *Guardian/Observer* articles, assessed the implications for inflation, interest rates, property prices, stocks and shares, and trade. Furthermore, there were proportionately ten times as many articles in the *Guardian/Observer* about the protests against austerity.

Key discourses constructed in the *Guardian/Observer* and *Telegraph* articles between 2008 and 2010 appear in Table 13.4.

Key Discourse	<i>Guardian/Observer</i> Number of articles (% of all <i>Guardian/Observer</i> articles)	<i>Daily/Sunday Telegraph</i> Number of articles (% of all <i>Telegraph</i> articles)
Economic crisis inherited from actions of Labour Government	9 (1.5%)	53 (5.3)
Public spending cuts necessary/unavoidable	10 (1.7)	22 (2.2)
Inaction will lead to financial ruin	5 (0.8)	21 (2.1)
Protests against the cuts	66 (11)	17 (1.7)
Bailout of banks necessary/unavoidable	6 (1)	12 (1.2)
Strikes against the cuts	6 (1)	8 (0.8)
Tax rises necessary/unavoidable	3 (0.5)	8 (0.8)
Public spending cuts risk a double-dip recession	8 (1.3)	4 (0.4)
Cuts will hurt the poorest most	36 (6)	4 (0.4)
Cuts are too fast and too deep	11 (1.8)	3 (0.3)
Cuts made in a way that is fair and progressive	0	2 (0.2)
Britain is bankrupt	1 (0.2)	2 (0.2)
Cuts will affect women more than men	11 (1.8)	1 (0.1)
Cuts will affect young people more than the general population	1 (0.2)	1 (0.1)

Table 13.4: Key Discourses Constructed in Coverage of the 2008 Financial Crisis, the Great Recession and Austerity in the *Guardian/Observer* and the *Daily/Sunday Telegraph* (2008-2010).

Both the *Guardian/Observer* and *Telegraph* articles indulged the elite discourses that the New Labour Government ‘crashed the economy’ and that public spending cuts were ‘necessary’ and ‘unavoidable’ (3.2% and 7.5 % respectively). Notable discursive differences, however, appeared. Reflecting their partisanship, the Coalition Government’s discursive claim that the 2008 financial crisis was caused by the New Labour Government was reflected in 5.3% of *Telegraph* articles but only 1.5% of *Guardian/Observer* articles. Paradoxically, given that the *Telegraph* purportedly supports ‘free markets’, the *Telegraph* featured twice as many articles endorsing the discourse that a state rescue of the financial system was essential to avoid ruin (2.1% compared to 0.8% in the *Guardian/Observer*). Furthermore, the latter were more likely to entertain oppositional discourses than the former. Specifically, 21.3% of *Guardian/Observer* articles, but only 3.7% of *Telegraph* articles, focused on protests against public spending cuts, public sector strikes, risk of a ‘double-dip’ recession, and the regressive nature of austerity (i.e. that it disproportionately impacts the poorest, women and young people).

Data presented above regarding sourcing, issues, and discourses are similar to findings of other studies.⁹

Television Coverage

Details of the 47 programmes on subjects related to the 2008 financial crisis, the Great Recession and austerity broadcast between 2008 and 2015 – highlighting the primary sources – are shown in Table 13.5.

The most quoted sources in these programmes, with 29 appearances, were current or former members of the Coalition and New Labour governments, previous Conservative administrations, and their official oppositions. Other prominent sources included bankers (15 appearances); backbench politicians (13); corporate executives (12); journalists (12); and academics (10). Middle-ranking sources included economists (7); members of the public – excluding participants in the live debates (7); foreign finance ministers (6); right-wing think tanks (6); tax justice campaigners (5); and welfare recipients (5). Relatively neglected sources included religious representatives (4); the Treasury (4); the Bank of England (3); anti-cuts activists (3); the House of Commons Public Accounts Committee (3); left-wing pressure groups (3); right-wing pressure groups (3); the poor (3); left-wing think tanks (3); public sector workers (2); regulators (2); and the super-rich (2). One celebrity appeared, as did a trade unionist. While a direct comparison is not possible, sourcing patterns in these programmes are strikingly similar to those in newsprint; in short, the corporate elite and their political allies dominated while oppositional voices were marginalised.

Categorizing the 47 programmes by their subject matter, 14 focused on how and why the 2008 financial crisis occurred. Others highlighted public spending cuts and the state of the public finances (11 programmes);

Broadcast Date	Programme	Primary Sources
March 2008	BBC 'Super-Rich: The Greed Game'	Philip Beresford (compiler of <i>Sunday Times</i> Rich List)
January 2009	BBC 'The City Uncovered'	Various bankers
February 2009	BBC <i>Panorama</i> 'Tax Me If You Can'	Tax Justice Network; Treasury
March 2009	Channel 4 <i>Dispatches</i> 'How They Squander Our Billions'	House of Commons Public Accounts Committee; Taxpayers' Alliance; various politicians
June 2009	Channel 4 <i>Dispatches</i> 'Crash Gordon: The Inside Story of the Financial Crisis'	Gordon Brown (Prime Minister); Alistair Darling (Chancellor); George Osborne (Shadow Chancellor); other politicians; Bank of England; Treasury; bankers; civil servants; economists; foreign finance ministers
September 2009	BBC 'The Love of Money: The Banking Crisis One Year On'	Gordon Brown (Prime Minister); Alistair Darling (Chancellor); Tim Geithner (US Treasury); Alan Greenspan (US Federal Reserve); Mervyn King (Bank of England); Robert Reich (economic advisor to US President Barack Obama); foreign finance ministers
September 2009	BBC <i>Panorama</i> 'Banks Behaving Badly?'	Peter Mandelson (Business Secretary); Richard Murphy (offshore tax specialist); Treasury
June 2010	Channel 4 <i>Dispatches</i> 'Crash'	Various bankers
June 2010	Channel 4 <i>Dispatches</i> 'How to Save £100 Billion – Live'	Andrew Haldenby (Reform); Neil O'Brien (Policy Exchange); Bridget Rosewell (former Treasury advisor); Dr Karol Sikora (Doctors for Reform); Robin Hood Campaign

Table 13.5: Synopses of Television Programmes on the 2008 Financial Crisis, the Great Recession and Austerity (2008-2015).

Broadcast Date	Programme	Primary Sources
September 2010	BBC <i>Look North</i> 'Spending Review – The <i>Look North</i> Debate'	Public sector workers
October 2010	Channel 4 <i>Dispatches</i> 'How the Rich Beat the Taxman'	Danny Alexander (Chief Secretary to the Treasury); Chris Bryant (Shadow Cabinet Minister); David Cameron (Prime Minister); Philip Green (businessperson); Philip Hammond (Secretary of State for Transport); Tax Justice Network
November 2010	Channel 4 'Britain's Trillion Pounds Horror'	Brendan Barber (Trades Union Congress); James Bartholomew (author of <i>The Welfare State We're In</i>); Alistair Darling (former Labour Chancellor); Nigel Lawson (former Conservative Chancellor); various politicians
March 2011	BBC <i>Panorama</i> 'The Big Squeeze'	Ros Altmann (pensions expert); Nicola Horlick (businessperson); Mick McAteer (Financial Inclusion Centre); members of the public
March 2011	ITV 'Charities in Crisis'	David Cameron (Prime Minister); several Cabinet Ministers; representatives of charities
March 2011	Channel 4 <i>Dispatches</i> 'Selling Off Britain – Live Debate'	Antony Beever (historian); Kevin Cahill (author of <i>Who Owns Britain</i>); Katie Clarke (Labour politician); Tim Cross (British Army); Edwina Curry (former Conservative minister); Allister Heath (City AM); Afua Hirsch (<i>Guardian</i> journalist); Maxwell Hutchinson (architect); Michael Kitson (economist); Jonny Irwin (property developer); Peter Roberts (Drivers' Alliance); Ralph Silva (banker); Zoe Williams (<i>Guardian</i> journalist); Quentin Wilson (motoring journalist)
October 2011	BBC 'The Future of Welfare'	Centre for Social Justice; welfare claimants

Table 13.5: Continued.

Broadcast Date	Programme	Primary Sources
November 2011	BBC 'Your Money and How They Spend It'	Ken Clarke (former Conservative minister); Alistair Darling (former Labour chancellor); Alan Johnson (Labour politician); Boris Johnson (London Mayor); Norman Lamont (former Conservative chancellor); David Laws (former Liberal Democrat minister); Nigel Lawson (former Conservative chancellor); Peter Mandelson (former Labour minister); Alex Salmond (Scottish First Minister); Peter Stringfellow (businessperson); Tax Research UK; anti-cuts campaigners; members of the public
November 2011	BBC <i>Panorama</i> 'Britain on the Fiddle'	Jim Gee (PKF Littlejohn Forensic and Counter-Fraud Services)
November 2011	BBC 'When Bankers Were Good'	Giles Fraser (former canon of St Paul's Cathedral); Jacob Rothschild (banker); Jonathan Sacks (Chief Rabbi); Adair Turner (Financial Services Authority); Andrew Wilson (historian)
November 2011	BBC <i>Panorama</i> 'Who's Getting Rich on Your Money?'	House of Commons Public Accounts Committee; Mark Hellowell (author of report on Private Finance 2); David Metter (chief executive of Innisfree)
May 2012	BBC <i>Panorama</i> 'The Truth About Tax'	House of Commons Public Accounts Committee; Revenues and Customs; Treasury
July 2012	BBC <i>Panorama</i> 'Britain on the Brink: Back to the 1970s?'	Academics; bankers; members of the public; Joseph Rowntree Foundation; Stewart Lansley (author of <i>The Cost of Inequality</i>)
October 2012	Channel 4 <i>Dispatches</i> 'Secrets of Your Bosses' Pay'	Various chief executive officers; members of the public; Will Hutton (economist); various politicians

Table 13.5: Continued.

Broadcast Date	Programme	Primary Sources
November 2012	BBC 'The Year the Town Hall Shrank'	David Cameron (Prime Minister); local councillors; members of the public
November 2012	BBC <i>Panorama</i> 'Undercover: How to Dodge Tax'	Corporate service providers
March 2013	ITV <i>Tonight</i> 'Breadline Britain'	George Osborne (Chancellor); Department for Work and Pensions; Barnado's; Resolution Foundation; poor people
May 2013	BBC <i>Money Programme</i> 'Bankers'	Andrew Bailey (Bank of England); Gillian Tett (<i>Financial Times</i> journalist); Jean-Claude Trichet (European Central Bank); Jonathan Welby (Archbishop of Canterbury); Martin Wheatley (Financial Services Authority); various bankers
February 2014	Channel 5 'The Big Benefits Row – Live'	Steve Chalke (Reverend); Terry Christian (broadcaster); Edwina Currie (former Conservative minister); Sam Delaney (journalist); White Dee (star of <i>Benefits Street</i>); Katy Hopkins (celebrity); Ken Livingstone (former London Mayor); Jack Monroe (anti-poverty campaigner)
February 2014	Channel 4 'Benefits Britain – Live Debate'	John Bird (founder of <i>Big Issue</i>); White Dee (star of <i>Benefits Street</i>); Douglas Murray (Henry Jackson Society); journalists (Mehdi Hasan and Owen Jones from the <i>Guardian/Huffington Post</i> and Allison Pearson from the <i>Daily Telegraph</i>); various politicians
April 2014	BBC <i>Panorama</i> 'Don't Cap my Benefits'	Various politicians; welfare claimants
June 2014	Channel 4 <i>Dispatches</i> 'Breadline Kids'	Members of the public; civil servants; various politicians

Table 13.5: Continued.

Broadcast Date	Programme	Primary Sources
October 2014	Channel 4 <i>Dispatches</i> 'Benefit Britain: Universal Credit'	Iain Duncan Smith (Conservative Secretary of State for Work and Pensions); Child Poverty Action Group; welfare claimants
November 2014	Channel 4 'How Rich Are You?'	Ryan Bourne (Institute of Economic Affairs); Owen Jones (<i>Guardian</i> journalist); Stewart Lansley (author of <i>The Cost of Inequality</i>); Paul Mason (economist); Faiza Shaheen (New Economics Foundation); poor people; wealthy people
November 2014	Channel 4 <i>Dispatches</i> 'How the Rich Get Richer'	Iain Duncan Smith (Conservative Secretary of State for Work and Pensions)
January 2015	BBC 'The Super-Rich and Us'	Ha-Joon Chang (economist); David Graeber (anthropologist and author of <i>Debt</i>); Chrystia Freeland (author of <i>Plutocrats</i>); Thomas Piketty (economist); High Pay Centre; various politicians; wealthy people
January 2015	Channel 4 <i>Dispatches</i> 'Low Pay Britain'	Undercover reporters; members of the public; whistleblowers; corporations; employment agencies

Table 13.5: Continued.

inequality and poverty (11); welfare reform (6); tax avoidance and tax evasion (4); and the Private Finance Initiative (1). Two distinct periods are discernible. Between January 2009 and June 2010, *before* the Coalition Government came to power, ten television programmes focused on explaining the 2008 financial crisis and the Great Recession that followed. Encompassing 'The City Uncovered' (BBC), 'Crash Gordon' (Channel 4 *Dispatches*), 'The Love of Money' (BBC), 'Banks Behaving Badly' (BBC *Panorama*) and 'Crash' (Channel 4 *Dispatches*), these broadcasts were highly critical of the financial sector. The causes of the 2008 financial crisis were clearly identified (i.e. de-regulation, financialization, flawed economic models, and risk-taking) as were the culprits (i.e. greedy bankers, inept regulators and complicit politicians) and the consequences (i.e. the state of the public finances). By contrast, only one programme – 'How They Squander Our Billions' (Channel 4 *Dispatches*) – implied that 'high public spending' was responsible for the budget deficit and public debt 'problems'.

From June 2010, *following* the formation of the Coalition Government, a marked shift in the nature of television coverage appeared. Two Channel 4 *Dispatches* live debates, ‘How to Save £100 billion’ and ‘Selling Off Britain’, set the tone for explicitly embracing the Coalition Government’s austerity and privatization agendas. While the former debate considered some revenue-raising proposals (i.e. a financial transactions tax, user charges, and increasing VAT), the onus was clearly on public spending cuts. Radical proposals, such as levying a wealth tax, were conspicuously absent during both debates. It is significant, however, that despite attempts by the presenters and other contributors to frame the proposed public spending cuts and privatizations as ‘necessary’ and ‘unavoidable’, most audience members, plus online participants at home, rejected these options when given the chance to vote.

Three other programmes – ‘Britain’s Trillion Pound Horror’ (Channel 4) and ‘Your Money and How They Spend It’ (BBC) – enthusiastically endorsed the case for substantial public spending cuts and, thus, bolstered the Coalition Government’s austerity discourse. Unlike the ones broadcast in 2008 and 2009, these programmes failed to link the state of the public finances with the costs of the bailout, the stimulus, and the Great Recession. In short, since zero historical context was provided, viewers were led to believe that public finances were ‘out of control’ due to the ‘profligacy’ of successive governments. Another five programmes – ‘Spending Review’ (BBC *Look North*), ‘Charities in Crisis’ (ITV) and ‘When the Town Hall Shrank’ (BBC) – considered the impact of public spending cuts on local services. One further programme about the 2008 financial crisis aired during this period. ‘When Bankers Were Good’ (BBC) contrasted public perceptions in 2011 (i.e. bankers as greedy and reckless) with historical perceptions (i.e. bankers as philanthropists) and questioned whether the financial sector could ever redeem itself.

Of the eleven television programmes focusing on inequality and poverty in Britain, ten were broadcast during the Coalition Government’s term in office. ‘The Big Squeeze’ (BBC *Panorama*); ‘Britain on the Brink’ (BBC *Panorama*); ‘Secrets of Your Bosses’ Pay’ (Channel 4 *Dispatches*); ‘Breadline Britain’ (ITV *Tonight*); ‘Breadline Kids’ (Channel 4 *Dispatches*); ‘How Rich Are You?’ (Channel 4); ‘How the Rich Get Richer’ (Channel 4 *Dispatches*); ‘The Super-Rich and Us’ (BBC); and ‘Low Pay Britain’ (Channel 4 *Dispatches*) explicitly linked growing inequality and rising poverty in Britain with the 2008 financial crisis, the Great Recession, and austerity. Significantly, ‘The Super-Rich and Us’ – arguably the most critical and incisive programme during this period – was unique in actively exploring the radical option of levying a wealth tax as an alternative to austerity. The oddity – ‘Super-Rich’ (BBC) – predated, but presciently foretold, the 2008 financial crisis.

Six programmes covering welfare aired during this period, and all linked debates about reform with either the state of the public finances or austerity. ‘The Future of Welfare’ (BBC); ‘Britain on the Fiddle’ (BBC *Panorama*), and two live debates – ‘The Big Benefits Row’ (Channel 4) and ‘Benefits Britain’ (Channel 5) – explicitly endorsed the claim that welfare reform was ‘necessary’

because of the ‘crisis’ in the public finances. By contrast, ‘Don’t Cap My Benefits’ (BBC *Panorama*) and ‘Benefits Britain: Universal Credit’ (Channel 4 *Dispatches*) were much more sympathetic to the plight of welfare recipients in the context of the Great Recession and austerity.

The four programmes on tax avoidance and tax evasion – ‘Tax Me If You Can’ (BBC *Panorama*); ‘How the Rich Beat the Taxman’ (Channel 4 *Dispatches*); ‘The Truth About Tax’ (BBC *Panorama*); and ‘Undercover: How to Dodge Tax’ (BBC *Panorama*) – were highly critical of such activities. The first three explicitly connected losses of tax revenues from corporations and wealthy individuals to the state of public finances; explained that such taxes could offset the need for austerity; and criticised the Coalition Government’s discourse that ‘we are all in this together’.

One programme – ‘Who’s Getting Rich on Your Money?’ (BBC *Panorama*) – was highly critical of the Private Finance Initiative (PFI). It cast the scheme as providing poor value for money and questioned why the Conservatives, having opposed PFI in opposition, had participated in the Coalition Government’s expansion of the scheme. Although not the main subject of the broadcast, ‘How They Squander Our Billions’ (Channel 4 *Dispatches*) was also highly critical of PFI. Both broadcasts pointed out that, if the Conservatives were so opposed to leaving future generations with large amounts of public debt – the party’s main justification for austerity – then why persist with PFI which does just that and which is more costly than state financing alone?

13.3.2 *A Wealth Tax as a Radical Alternative to Austerity: The Media Response*

As noted, zero articles analysed attended to the radical idea of levying a wealth tax as an alternative to austerity. To gain a more accurate picture of newspaper coverage of this issue, a supplementary search of ‘wealth tax’ in the Nexis and *Financial Times* databases was conducted for the period between 24 September 2008 and 5 December 2010 consecutively. This generated a sample of 113 articles – including news reports, commentary, editorials, and letters – across eleven national dailies (see Table 13.6).

Exposing a clear ideological divide, 20 articles about levying a wealth tax appeared in the *Guardian/Observer* during this period, with 15 positive and 5 negative, while the *Telegraph* featured 12, with 10 negative and 2 positive. In short, this more comprehensive analysis reveals that the wealth tax idea was, indeed, a neglected one. While the positive articles endorsed a wealth tax as an alternative to public spending cuts and a manifestation of social justice, the negative articles included several advising readers how and where they could invest their money and *avoid* wealth taxes. Other articles rejected the wealth tax on principle, portraying it as a form of theft, and attacked Labour and Liberal Democrat politicians for contemplating the idea. From a broader perspective, all of Britain’s newspapers except the *Morning Star*, the socialist daily read

	<i>Morning Star</i>	<i>Guardian/Observer</i>	<i>Independent/Independent on Sunday</i>	<i>Mirror</i>	<i>Daily Express/Sunday Express</i>	<i>Financial Times</i>	<i>Daily Mail/Mail on Sunday</i>	<i>Sun</i>	<i>Daily Telegraph/Sunday Telegraph</i>	<i>Times/Sunday Times</i>
Negative about a wealth tax	0	5	5	0	7	5	7	2	10	17
Positive about a wealth tax	28	15	3	1	1	0	0	0	2	5

Table 13.6: Coverage of the Wealth Tax Idea in British Newspapers (2008-2010).

by around 10,000 people, marginalised the wealth tax idea. Nevertheless, it received more attention in the broadsheets (i.e. the *Financial Times*, *Guardian/Observer*, *Independent*, *Telegraph* and *Times*), read by approximately 2.4 million mainly middle class and wealthy people, compared to the tabloids (i.e. the *Mirror* and *Sun*) and mid-market newspapers (i.e. the *Express and Mail*) read by approximately 7 million mainly working class people.¹⁰ Furthermore, it received more support in left-liberal newspapers (i.e. the *Guardian/Observer*, *Independent* and *Mirror*) compared to right-wing ones (i.e. the *Express*, *Financial Times*, *Mail*, *Sun*, *Telegraph* and *Times*).

As noted, only one programme in the sample attended to the wealth tax proposal. It is worth considering, at this point, how the ostensibly impartial BBC treated the proposal developed by Greg Philo from the Glasgow Media Group. Philo penned an article in *The Guardian* in August 2010 suggesting that a one-off tax of 20% levied on the wealthiest 10% of Britons would raise enough revenue to pay off the national public debt, clear the budget deficit and, thus, obviate the need for austerity. Philo had commissioned YouGov to conduct a survey which found that 74% of respondents – with majorities across all age groups, classes and genders – supported the wealth tax idea. Philo then toured the BBC studios to promote his proposal.¹¹ The reaction of the presenters and guests is instructive. In short, the wealth tax idea, popular with the public, was treated with barely disguised contempt. The principal strategy adopted by the BBC and the other broadcasters in the sample was simply to ignore the wealth tax idea. When it did receive attention, as in these four BBC shows, the tactic employed seems to have been one of ridicule and dismissal.

13.4 Applying the Herman-Chomsky Propaganda Model

The PM advances three hypotheses, identifies five operative filters, and employs a comparative methodological approach.¹²

13.4.1 Hypothesis 1: Elite Consensus and Media Compliance

The economic and political elite in Britain actively supported austerity – evident in the manifestos of the three main political parties during the 2010 General Election, the Coalition Government’s budget deficit-reduction plan pursued from 2010 and the ‘austerity-lite’ variant promoted by Labour in opposition from 2011. The elite consensus persisted until the election of Jeremy Corbyn as Labour Party Leader in 2015 on an anti-austerity platform.

Politicians, corporations, and the financial sector (i.e. the economic and political elite) constituted the dominant sources in the sampled coverage of the 2008 financial crisis, the Great Recession, and austerity. Such a privileged position enabled these interests to set the agenda and frame the parameters of debates about these events. The actual causes of the 2008 financial crisis and the Great Recession – the nefarious activities of the financial sector and inherent contradictions of capitalism – received little attention in the sampled media coverage. This clearly suited the economic and political elite who were responsible. Allied to this, there was very little scrutiny of the lack of criminal prosecutions against bankers, politicians and/or regulators in the sampled media coverage. This also suited the economic and political elite who would have been liable. Blaming the New Labour Government’s supposed ‘profligacy’ for the 2008 financial crisis and the Great Recession, plus more general complaints about ‘high public spending’ in Britain, gained some traction in the sampled coverage. Aided by the near silence of the Labour Party on its handling of the 2008 financial crisis and subsequent economic downturn when in government – more specifically the bailout, the stimulus and the implications these had for the public finances – this discourse served the interests of the economic and political elite in their quest to ‘shrink the state’. The budget deficit and level of national public sector debt were portrayed as ‘problems’, either explicitly or implicitly, in much of the sampled coverage. This helped to reinforce the austerity discourse fashioned by the elite. Attention focused on the expenditure rather than the revenue-raising side of the public finances debate in much of the sampled coverage. For the elite, public spending cuts, which predominantly affect the masses, are clearly preferable to higher taxes and determined efforts to tackle tax avoidance and tax evasion, as these threaten elite wealth. Allied to this in the sampled coverage was little debate about levying a wealth tax. Such a tax would clearly not serve the pecuniary interests of most members of the economic and political elite.

The evidence supports Herman and Chomsky’s first hypothesis that an elite consensus will create media compliance. The elite consensus in Britain regarding the appropriate response to the 2008 financial crisis and the Great Recession (i.e. bailout and stimulus), the apportioning of blame for these events (i.e. ‘high public spending’), the preferred solution (i.e. austerity), and the unacceptability of alternatives (e.g. the wealth tax idea) was, significantly degree, reflected in the sampled coverage.

The results were far from uniform, however. The *Guardian/Observer* articles included more oppositional voices, issues, and discourses than the *Telegraph* articles. The differences are manifest in the more frequent use of members of the public, the public sector and trade unions as primary sources; greater attention to the human and social impact of the Great Recession and austerity, plus the protests against public spending cuts; and the questioning of the Coalition Government's discursive claims. Similarly, the television programmes entertained a more diverse and challenging set of issues and discourses than the newspaper articles. The differences are manifest in the pre-2010 tendency to blame bankers for the 2008 financial crisis and the Great Recession, and the post-2010 focus on rising inequality and poverty, plus tax avoidance and tax evasion by corporations and wealthy individuals.

Such differences seemingly confirm the author's secondary propositions, but with two important caveats. Firstly, the differences are slight: most *Guardian/Observer* articles and a majority of the programmes reproduced the elite consensus. Secondly, the relative neglect of radical alternatives to austerity (e.g. the wealth tax idea) by the *Guardian/Observer* and public service broadcasters, such as the BBC, bolsters the argument advanced by Chomsky and others about the role of left-liberal media.¹³ By marginalizing certain issues and policy options, and/or treating them with contempt, the left-liberal media serve a dual purpose: they establish and defend the boundaries of thinkable thought and, thus, reinforce the status quo. By ignoring and/or ridiculing the wealth tax idea, the *Guardian/Observer* and the BBC helped cast it 'beyond the pale' as 'unthinkable'. By giving the idea at least some attention, however, they also reinforced the 'necessary illusion' of a lively media debate about the issue. Furthermore, by concentrating on the expenditure rather than the revenue-raising side of the public finances debate – albeit with more sympathetic coverage of the human and social impact of spending cuts – the *Guardian/Observer* and the BBC contributed to the misimpression that 'there is no alternative' to austerity. In the supposed absence of 'viable' sources of revenue, the discursive claims of the elite became 'common sense' and the debate logically shifted focused on where, when, and how the 'necessary' and 'unavoidable' public spending cuts should be executed (e.g. Labour's 'austerity-lite', the Channel 4 live studio debates, etc.).

13.4.2 Hypothesis 2: The Five Filters

The first filter identified by Herman and Chomsky is the *size, ownership and profit orientation of the mass media* and the associated contention that bias derives, partly, from ownership. Media ownership in Britain, like in the US, has long been highly concentrated.¹⁴ In 2015, eight companies owned Britain's national newspapers with a readership of approximately 63 million people. The Telegraph Media Group owns the *Daily* and *Sunday Telegraph*. These same companies also monopolised the online news market. Five companies

controlled 75% of Britain's regional and local newspapers. Five companies dominated cable and television broadcasting, with Viacom International owning Channel 5, while two companies enjoyed a 40% share of the radio market. Many of these companies are interlocked (i.e. common directorships and stock holdings) and own shares in non-media companies. Others, such as News Corp UK, are foreign-owned.¹⁵ The Scott Trust oversees the Guardian Media Group that publishes *The Guardian* and the *Observer*. Lauded for pioneering a 'unique form of media ownership', the Scott Trust claims that 'editorial interests' at the *Guardian* and *Observer*, unlike other newspapers, 'remain free of commercial pressures' because 'profits are reinvested in journalism and do not benefit a proprietor or shareholders'.¹⁶ Nevertheless, these newspapers operate on a commercial basis (i.e. the advertising-based business model), while the Guardian Media Group is 'thoroughly embedded within corporate networks and depends on corporate advertisers for 75% of its revenues'.¹⁷ The state-owned BBC is subject to non-commercial forms of control. The government appoints the BBC board of governors and the director general, while the license fee regime, which is reviewed every ten years, grants the government a considerable amount of leverage as renewal is usually preceded by lively debates about bias and value for money, plus complaints of market dominance. The BBC is also subject to commercial pressures. Since the 1980s, successive governments have encouraged the marketization of both the BBC's structure and activities. Meanwhile, the state-owned Channel 4, which operates on a commercial basis, is frequently threatened with privatization. In short, although not privately owned, these media are subject to the corporate ethos, plus, in the case of the BBC and Channel 4, direct state power.¹⁸

The owners and managers of the media companies in Britain, in common with the corporate sector more generally, had an obvious commercial interest in the state rescue of the financial system (i.e. the bailout) and the prevention of a Great Depression-style recession (i.e. the stimulus). Put simply, their continued profitability depended on such state intervention. As an example, in December 2008 the Confederation of British Industry (CBI) – with a membership that includes media companies such as the BT Group – urged the New Labour Government to follow the US lead and bail out Britain's car industry.¹⁹ Furthermore, there was a clear commercial and ideological rationale for supporting the austerity-driven reconfiguration of the state. Commercially, a smaller public sector potentially means a bigger private sector and more profit-making opportunities for non-media companies partly-owned by the media companies. Ideologically, it was not in the interests of the media companies, nor the corporate sector more generally, to accept the *permanent* return of an activist state which, under a progressive administration, might boost the regulation of the media industry and/or levy higher taxes on businesses and their owners. The logical choice was to resurrect neoliberalism via austerity. As an example, the chief executive of News Corp, Rupert Murdoch, delivered a lecture in October 2010 honouring the late Conservative Prime Minister, Margaret Thatcher, in which

he endorsed the Coalition Government's budget deficit-reduction plan. Furthermore, acknowledging that 'the financial crisis was a shock to the system', Murdoch insisted that, 'while the effects linger, it must not be used as an excuse by governments to roll back economic freedom.'²⁰

The second filter identified by Herman and Chomsky is the *advertising license to do business*. Endorsing the historical observation that advertisers 'acquired a de facto licensing authority since, without their support, newspapers cease to be economically viable',²¹ they claimed that the preferences of advertisers constitute another source of bias, in three senses. Firstly, advertisers discriminate against working class media on commercial grounds. Secondly, advertisers shun left-wing media on ideological grounds, and thirdly, advertisers prefer those media forms that do not interfere with the 'buying mood'.

The 2008 financial crisis and the risk of a Great Depression-style recession clearly imperilled the 'buying mood' as well as the continued profitability of the advertising industry. Advertisers, thus, joined the corporate sector more generally in welcoming the state's efforts to avoid economic calamity. As an example, the chief executive of the British-based multinational advertising agency WPP, Martin Sorrell, commenting in April 2009 on the state of the British advertising market, expressed the hope that 'the fiscal stimulus we have seen in this country must have some effect'.²² Furthermore, advertisers supported austerity. With the government spending nearly £208 million on advertising in 2009, making it the biggest player,²³ sections of the advertising industry obviously suffered following the implementation of government department, and other, public spending cuts. The opportunity to transform the state and the economy, however, eclipsed such financial losses. Sorrell, for example, backed the Coalition Government and its austerity agenda: 'the Coalition Government's economic policy has a lot going for it' because 'they have done the tough stuff and they are dealing with the deficit.' Indeed, 'for the first time in a long time you can feel bullish about the UK in the medium term'.²⁴ Furthermore, having published a report in 2013 claiming that the advertising industry contributed £100 billion a year to the British economy, the Advertising Association called for 'government and regulators to get out of the way'. Seeking to exploit the Coalition Government's deregulation agenda, Gavin Patterson from BT Group told the annual summit of the Advertising Association in February 2013 that the sector 'needed to be set free from overregulation to make an even greater contribution to economic growth'.²⁵

The third filter identified by Herman and Chomsky is the *sourcing of news*. They insisted that the provision of regular and reliable sources of information by governments and corporations draws media into a symbiotic relationship that results in another source of bias. These sources also benefit from the general perception that they are credible and objective.

The sampled coverage of the 2008 financial crisis, the Great Recession, and austerity found that governments and corporations did, indeed, constitute the primary sources of news. Such privileged positions enabled these sources to

set the agenda (i.e. the unquestioning acceptance of the need for the bailout in 2008, the stimulus in 2008 and 2009 and, from 2010, austerity). It also enabled these entities to frame the parameters of the debate about public finances (i.e. the ‘necessity’ of public spending cuts and the ‘implausibility’ of alternatives on the revenue-raising side such as a wealth tax). A prime example of the importance and role of sourcing is the observed transformation in 2010 of the sampled television coverage. In short, when the government changed from New Labour to the Coalition so did much of the coverage.

The fourth filter identified by Herman and Chomsky is the role of *flak and the enforcers*. They observed that the ability to attack the media for its coverage, and to elicit a change in its behaviour, is a potent weapon and, thus, another source of bias. One particularly effective method is the corporate funding of right-wing monitoring organizations designed to attack the media – such as Accuracy in Media, the Center for Media and Public Affairs, and the Media Institute in the US – which attempt to enforce media compliance with elite interests.

Examples of flak deployed as enforcers appeared as the Coalition Government attempted to ensure media compliance with their preferred reporting of austerity. The BBC has long been a target of the Conservative Party and other right-wing forces for its supposed ‘left-liberal bias.’²⁶ Osborne attacked the BBC in December 2014 for its ‘hyperbolic coverage’ of the Coalition Government’s public spending cuts and future plans to ‘shrink the state.’ Osborne also took the opportunity to complain about the BBC’s earlier reporting of his budget deficit-reduction plan in 2010.²⁷ Tesco’s 2008 libel suit against *The Guardian* over an article critical of the company’s tax affairs is another example of the effectiveness of flak. Facing possible bankruptcy from the suit if it lost, *The Guardian* withdrew the article. This sordid affair had a ‘chilling effect’ on journalists at *The Guardian*, and the media more generally, according to then editor Alan Rusbridger.²⁸ Tax avoidance and tax evasion by corporations and wealthy individuals are issues of significant public interest. They also deprive Her Majesty’s Revenue and Customs of substantial sums of money. The risk of legal action against the media by corporations and the wealthy individuals, however, helps to explain, in part, their reluctance to investigate these issues.

The fifth filter identified by Herman and Chomsky is *anti-communism as a control mechanism*. In an updated edition of *Manufacturing Consent* (2002), Herman and Chomsky acknowledged that the end of the Cold War had weakened the ideology of anti-communism. In its place, they suggested that the ideology of the ‘miracle of the market’ performs a similar dichotomization function.

Although the Cold War ended decades ago, anti-communism arguably has a residual functional utility for the economic and political elite in Britain – manifest, for example, in the right-wing newspaper coverage of Ed Miliband, and his successor Jeremy Corbyn, as Leader of the Labour Party.²⁹ The 2008 financial crisis and the Great Recession exposed the fragility of neoliberalism. Britain’s

elite temporarily abandoned their rhetorical faith in markets and hypocritically advocated a state bailout of the financial system. Furthermore, in a brief flirtation with Keynesianism, they also used the state to stimulate the economy. *Objectively*, such interventions reveal one of the fundamental contradictions of capitalism: that it periodically needs rescuing from itself by the state. *Subjectively*, however, such facts barely registered in the sampled media coverage. Instead, much of the reporting, particularly post-2010, was re-infused with the revitalised neoliberal claim that ‘the state is the problem.’

Such evidence supports the second Herman and Chomsky hypothesis that the interplay of key structural forces (i.e. the five filters) shapes media coverage. Furthermore, their political economy analytical framework provides a more sophisticated understanding and explanation of media coverage of austerity than the other studies to date.

13.5 Conclusion

The Herman-Chomsky PM challenges the pluralist view of how the media system operates (i.e. the claims that it is independent, features diverse perspectives, serves as a guardian of the public interest and acts as a watchdog on the exercise of power) and provides an alternative analytical framework for understanding and explaining media performance. A truly pluralist media, which reflected and represented the interests of the masses, rather than just the elite, would have educated and warned audiences about the nefarious activities of the financial sector.

Following the 2008 financial crisis, it would have campaigned for prosecutions and an end to banker bonuses. It would have called for the fundamental reform of the financial system so that it served the public good and the needs of the real (i.e. productive) economy. It would have exposed the self-destructive contradictions of capitalism and the hypocrisy of those who preach the virtues of ‘free markets’ while turning to the state for help when market failures invariably strike. It would demand concerted action to tackle inequality, poverty, unemployment, tax avoidance, and tax evasion. Regarding the public finances debate, it would have informed audiences about the historic and invaluable role of debt in the economy,³⁰ while defending the public realm and the public services upon which we all rely. It would have emphatically rejected the option of austerity, as regressive and self-defeating, and would have stressed the need to raise additional government revenue (e.g. levying a wealth tax) in any attempt to ‘balance the books.’ The sampled coverage, however, found little or no evidence of such perspectives.

Instead, coverage largely reflected the interests and outlook of the elite. This is also true of the coverage in the putatively left-wing *Guardian/Observer* and the regulated broadcasters, with important implications for the debates about the role of the left-liberal media and media regulation. The

PM, with its political economy focus, provides an alternative and arguably more robust analytical framework for understanding and explaining such media performance.

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- ¹⁰ See Audit Bureau of Circulations figures from December 2008; readership data available via the National Readership Survey (www.nrs.co.uk).
- ¹¹ For details of the proposal, the survey results and links to the YouTube clips of these interviews see www.glasgowmediagroup.org/the-wealth-tax.
- ¹² See Andrew Mullen (2010), 'Twenty Years On: The Second-order Prediction of the Herman-Chomsky Propaganda Model', *Media, Culture and Society*, 32:4, pp. 673–690.
- ¹³ See Chapter 3 of Chomsky's *Necessary Illusions*. Also see David Edwards and David Cromwell (2006), *Guardians of Power: The Myth of the Liberal Media*, London, Pluto Press, 2006; David Edwards and David Cromwell (2009), *Newspeak in the 21st Century*, London, Pluto Press; Tom Mills (2016), *The BBC: Myth of a Public Service*, London, Verso, 2016.
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- ¹⁸ See Alex Doherty (2005), 'Propaganda and the BBC', ZNet, 7 February; Tom Mills (2016), *The BBC: Myth of a Public Service*, London, Verso.
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