

## The Media Construction of the Financial Crisis in a Comparative Perspective – An Analysis of Newspapers in the UK, USA and Switzerland between 2007 and 2009

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### 1 Introduction

The current crisis has returned an awareness of the various phases constituting the crisis of social evolution to the centre of scientific analysis. Hitherto this wake-up call was largely left to those economists who made their presence felt with well-timed statements and, under the auspices of crisis economics, issued a frontal challenge to the prevailing belief in the power of self-regulating markets of their mainstream colleagues (Krugman, 2009; Roubini and Mihm, 2010; Stiglitz, 2010).

Little research effort has focused on the significance of the social construction of crises via the medium of public communications. This paper consequently analyses the current economic crisis on the basis of a cross-country comparative study of media contents (Switzerland, UK, USA), in the first place as an interpretative and perceptive phenomenon, and subsequently pursues the question as to how public communications processes transform events into crises. The idea of the communicative construction of social realities has gained strongly in importance, particularly after the linguistic turn in the social sciences (Berger and Luckmann, 1990). In this perspective, reality is whatever the relevant definition-wielding actors of a society describe as such. And public communications, in particular those broadcast via the media, are the most important means in modern societies of creating society-wide resonance for these constructions and definitions of reality. The idea behind this approach is that communications about a crisis are the very means through which the underlying events actually develop into a crisis.

Our analysis centers on the following research questions:

- › What is the nature of the crisis presented by the public sphere in the media? What do the social actors in the media define as constituting a crisis?
- › Which thematic aspects associated with the crisis appear in the focus of public communications?
- › Which actors are seen as being culpably responsible for the crisis? Which suggested solutions to the crisis attract the widest attention?
- › Which dynamics characterize crisis reporting in the media? Can the crisis be described in terms of different phases? According to the media, what factors

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indicate an intensification of the perceived crisis dynamics? In more graphic terms, how do the media turn a mere run-of-the-mill crisis into a “major” one?

- › How do the various countries differ in their communications about the crisis?

In the first part of this paper, the theoretical significance of media communications for the analysis of the phases of social crises will be examined. Secondly, the methodical approach adopted for the contents analysis of daily newspapers applied in this paper will be described. Thirdly, the central, empirical results of this study will be presented. Fourthly and lastly, it will be asked to what extent the empirical results point to a fundamental hiatus in the most recent social changes. To what extent can the current crisis debate be interpreted as a “tipping point” in the career of the neo-liberal social model?

## 2 Theoretical background

Following the cultural turn in the social sciences, authors in the field of capitalism-critical analyses have highlighted the key importance of communications for the social construction and constitution of crises (Scherrer, 1995; Jessop, 2004). In their work on the “new spirit of capitalism”, Boltanski and Chiapello (2003) have produced one of the most comprehensive and systematic analyses of the stabilizing role played by ideologies in the development of capitalism, and have described the crises of capitalism essentially as crises of legitimacy of the prevailing political order. Although they regard capitalism as a system that is completely free of any moral scruples, it nevertheless needs moral resources for its reproduction (Boltanski and Chiapello, 2003, 68).

One of the most graphic empirical analyses of the communicative construction of crises for British politics was provided by Colin Hay (1996, 2010) in his study of the delegitimization of the British state in the run-up to the neoliberal seizure of power by the Thatcher government at the end of the 1970s. For Hay, crises are not the result of objectively given grievances that develop automatically into a crisis behind the backs of the social actors. Rather, crises enter into the awareness of the members of a society only because undesirable developments and problematic situations are specifically described as constituting a crisis: “Crises are constituted in and through narrative” (Hay, 1996, 254). This implies that crises are socially constructed and to be understood essentially as processes constituted by communications. In this context, other authors have highlighted the crucial importance of public communications or the public sphere of the media for the constitution of social crisis situations (Münch, 1995; Imhof, 2006a). The mass media are not the only infrastructure of this communications arena, but they are the most important

one. Research on mediatization shows the growing importance of the media for communications in the public sphere (Schulz, 2004; Imhof, 2006b; Krotz, 2007; Livingstone, 2009; Lundby, 2009). The media play a double role in this communications arena; on the one hand, they are a platform for the communication activities of political and economic actors and civil society and, on the other hand, they are also autonomous communicators who influence society as opinion-formers.

Very few empirical studies have been devoted to the current crisis. Sporadic studies by communications scientists have analyzed the communications of different actors in the context of the crisis (Shechter, 2009; Starkman, 2009; Arlt and Storz, 2010; Schultz and Raupp, 2010). Most of them have concluded that the media were far too late and not precise enough in providing a warning of the crisis and its serious consequences. Consequently, the aim of the following treatment is to analyze how the crisis was interpreted and described in key media in Switzerland, UK and the USA in the period 2007–2009. These countries indicate the epicenter of the crisis (USA) as well as describing Switzerland and UK as two important international financial centers affected by the crisis. Indeed, the identification of these three financial centers with the crisis was a major reason for the perception of a global crisis of the financial market being established at international level.

### 3 Methodology

A quantitative-qualitative media contents analysis (Roller et al., 1995) was conducted out of daily newspapers from Switzerland (*Neue Zürcher Zeitung*), UK (*The Guardian*) and the USA (*New York Times*) for the period 2007–2009. All three, the *NZZ*, the *New York Times* and *The Guardian*, are respected leading media with an opinion-leading function in an international context. Leading media enjoy high social prestige, permit a high degree of social observation and can strongly characterize the communications dynamics in a specific media arena (Wilke, 1999; Eisenegger, 2005, 97).<sup>1</sup> The front pages of these newspapers are analyzed and evaluated for the analysis of the crisis construction by the media. In the period 2007–2009, those articles on the front pages of the newspapers that used the crisis as a key element of their reports were selected for the analysis. Front pages are rewarding objects of study because it can be assumed that the media place those topics that they consider to be particularly newsworthy and liable to attract the attention of their readers on their front pages.<sup>2</sup> The crisis can manifest in the media at quite different topic levels:

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1 These media titles allow a representative mapping of the opinion dynamics in the respective countries. However, it would make sense to add further media types and classes to these elite media in complementary research projects. Thus the inclusion of electronic and tabloid media would provide an interesting feedback as to which events and interpretation patterns had led to a popularisation of the crisis.

2 This makes front pages a suitable object for studying the dominant logics of selection and

firstly at the macro-level of society as a crisis of individual national economies, the global economy or political regulation, for example. Secondly, at the meso-level of organizations, crises may be identified as referring to one or several companies. And lastly, a crisis focus at the micro-level of reporting can refer to misconducts by individuals.

In order to encompass the interpretations of crises in media reporting, use was made of the analysis of frames: this is a widespread method of reconstructing the process of meaning creation in the mass media (Gamson, 1989; Gerhards, 1993). This analysis examines both diagnostic frames as well as prognostic frames (Snow et al., 1986). Diagnostic frames interpret the causes of crises and operate by apportioning blame. In contrast, prognostic frames describe the social reality prospectively with a view of various solutions. The frames were recorded both at the level of an entire article and at the level of statements by individual agents who express themselves in newspaper articles (Scheufele, 1999). The following variables guided the analysis:

1. *Intensity and focus of the crisis reporting*: In a first step, the central crisis focus and the dominant crisis descriptions (crisis semantics) were recorded at article level. It was of interest to determine whether the crisis was concretized at the level of persons (micro level), at the level of companies/organizations (meso level) or at the level of nation states, state alliances and regulation systems (macro level). In addition, the variable of crisis semantics was used to record the terminology chosen to describe the crisis (subprime crisis, financial crisis, global economic crisis).

2. *Crisis causes and blame attributions (diagnostic framing)*: In a second step, the analysis examined the causes of the crisis which the actors associated with the crisis in the articles and in the attributions of blame expressed by the various actors in the public sphere of the media. It was important to ascertain whether responsibility for the crisis was attributed to the economy and the actions of companies or rather to politics and the relevant regulatory bodies. This allowed the virulence of the crisis to be linked to its definition as a business, economic or regulation crisis.

3. *Crisis solutions (prognostic framing)*: The variables encompass the main crisis-solution measures covered in the public debate (self-regulation of the private sector, state/political as well as external transnational regulations, intervention by central banks). In this respect, it is assumed that the virulence of the perceived (economic) crisis grows in direct proportion to the demands raised in the public sphere for extensive government controls and regulation.

The content of a total of 2065 articles was examined for the analysis during the period 2007–2009 from the front pages of three newspapers: 740 articles for the *Neue Zürcher Zeitung* (36%), 499 articles for *The Guardian* (24%) and 826 articles

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interpretation of media. The validity of this approach was tested in detail by the authors in other research projects (cf. fög, 2010).

for the *New York Times* (40%). During the same period, 738 crisis causes and 770 crisis solutions were additionally encoded for the three newspapers.

In order to secure the reliability of the encoding, test encodings and inter-subjectivity tests were carried out prior to the analysis. The inter-code analysis yielded a Holsti's coefficient of reliability of .85, which may be seen as confirming high agreement of the encodings.

## 4 Results

The analysis focuses on both the contents-based changes in crisis coverage over the course of time as well as on the country-specific peculiarities of the reporting.

Key formal indicators for the virulence of the crisis perception by the media are the intensity and the persistence of the reporting on the crisis. The more articles appear about the crisis on successive days, the stronger the perception of the crisis by the media is rated. Secondly, changes of content relating to the crisis reporting indicate an intensification of the perception of the crisis by the media. The more the crisis is presented in the media as a general phenomenon menacing society as a whole and does not focus merely on individual crises affecting companies or single sectors of the economy, the more the public communications represent an aggregation of the crisis. The further the discourse on the crisis has advanced, the more strongly the conflictive and strongly moralizing reporting on blame and causes is also supplemented by a discussion about regulations which attempt to provide a grip on solutions to the crisis.

### 4.1 Cycles of crisis reporting

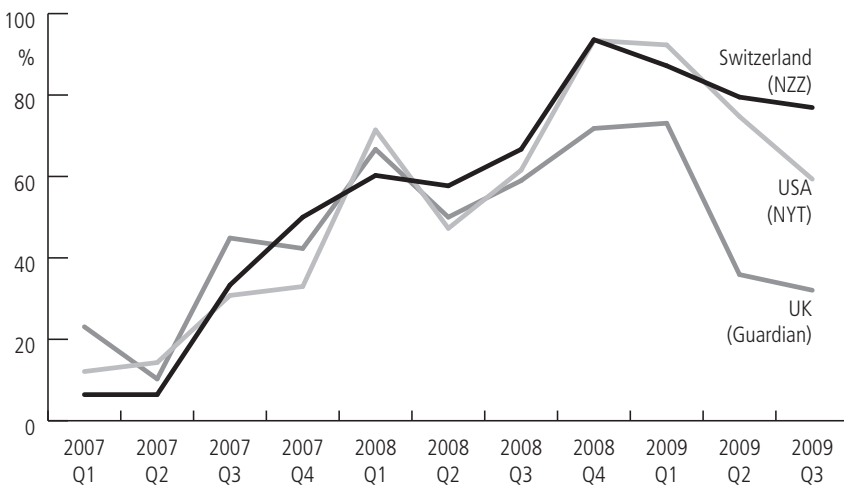
It is striking that, in the media that we examined, the crisis only began to constitute itself in terms of communications relatively late. The crisis-like developments on the US real-estate market and their effects on the bank sector were not strongly perceived as a problem by the media until mid-2007. With hindsight, however, we know that the bubble formation on the US subprime market was already far advanced at this time (Roubini and Mihm, 2010). So it may be said that the seismographic function of the media, namely to provide early warning of virulent crises, was insufficiently performed in the case of the current financial and economic crisis. Certainly, a few media as early as 2005 sporadically pointed to the high-risk bubble formation on the US real-estate market. However, their interpretation failed to reflect the economic and social consequences of this dangerous development. While a huge bubble was being created in the US subprime sector, the media headlines were for a long time dominated by the sales and profits successes of the large banks as well as the high payouts to managers. This strongly events-driven and personality-focused economic reporting blinded the media to the risks and unintended consequences of a rapidly

developing and increasingly globalised finance industry. This applied not only to the reporting by the *Neue Zürcher Zeitung* and the *Guardian*, but equally to the coverage by the *New York Times*. Just like large parts of the business and political worlds, the media were unable to adequately recognize and classify the extent of the crisis. With hindsight, the crisis of the financial markets may be seen as a particularly crass example of the failure of the watchdog function of the communications broadcast by the media.

In order to compare the dynamics of the crisis reporting in the various media, a sustainability value for the reporting was calculated. This value measures the number of days per quarter during which crisis reports appeared on the front page of a particular medium. A value of 100% would correspond to a daily coverage of the crisis. Accordingly, this value is directly proportional to the length of time during which the crisis is covered by the media.

The comparison of the sustainability values shows an almost identical reporting pattern for the various media, i. e. that the media intensified or subsequently toned down their crisis reporting at the same times. This parallel development in media reporting is a strong indication of a convergent globalized perception of the crisis in which analogous selection and interpretation logics of the media had affected the

Figure 1 Media coverage of the financial crisis 2007–2009



The graph shows the sustainability of crisis reporting for various media over time. A sustainability value of 100% corresponds to a daily coverage of the crisis on the front page. A value of 50% means that crisis articles appear there every second day.

way in which the crisis was treated. This contrasts strongly with the communications dynamics of previous crises, such as that of the 1930s, when the media cycles of the crisis coverage were still much more dependent on the location from which the crisis was observed (Zemp, 2010).

Within the scope of the current crisis, three key communications clusters which are characterized by an intensification and extension of the crisis communications may be described. The first of these was in mid-2007 on the occasion of the collapse of two hedge funds of the US investment bank Bear Stearns. This event may be seen as the take-off point for the crisis reporting. Secondly, we see a strong intensification of this reporting at the beginning of 2008. The severe and clustered financial problems of banks arising from their subprime involvement, which almost led to the collapse of Bear Stearns in 2008, intensified the crisis reporting. And thirdly, the collapse of the Lehman Brothers investment bank and the near collapse of US insurer AIG in autumn 2008 led to another major extension of media reporting on this topic. The cyclical coverage of the crisis was thus driven strongly by critical key events (Brosius and Eps, 1995; Eisenegger, 2008) that left little scope for being interpreted in any other way than as a crisis. Accordingly, the crisis reporting examined shows strong parallels to reporting on catastrophes. The events making up the financial crisis broke upon the international public sphere of the media like natural phenomena.

#### 4.2 Transformation of the crisis descriptions and contents

The specific designation of a crisis is of particular importance for its perceived virulence. This crisis semantics throws light on the framing and intensity with which the crisis is perceived. Transitions from limited crisis perceptions (subprime crisis) to those that attribute an overall social dimension to the crisis (global economic crisis) are particularly revealing. The basic phases along the way in which the crisis description changed will now be presented.

A genuine crisis discourse does not begin to establish itself in all the media examined until the first half of 2007. The sporadic media articles that had dealt critically in the preceding years with the situation in the real-estate markets in the USA, Spain and the UK did not speak explicitly of a “crisis” but merely gave very general warnings of an overheating of house prices or an unhealthy bubble development. Not until the collapse of the first mortgage banks in the USA at the beginning of 2007 – i. e. within a strongly events-driven context – did an explicit crisis perspective begin to establish itself, become sustained and expansive. The collapse of the mortgage banks led to talk of a “subprime crisis”, referring to the crisis in the mortgage market for borrowers with a poor credit rating. This crisis perception first became established in the USA, where house prices fell dramatically; a growing number of homeowners were forced to have their homes auctioned off and mortgage banks collapsed as a consequence. This crisis reporting – whose extent was however

still strongly limited to a specific subprime sector – then diffused quickly into the European media as well. However, the crisis perception was initially quite limited, merely describing the processes on the US homes market without fearing that the crisis might spill over to the European context. It was not until June 2007 that the reporting began to be intensified for the first time and its contents to change with the collapse of two hedge funds run by Bear Stearns investment bank (cf. Fig. 1). The articles no longer restricted their reports to the subprime sector and its consequences for homeowners and mortgage institutes, as the collapse of these hedge funds led for the first time to intensive discussions of the financial effects of the subprime crisis on non-mortgage banks as well as banks outside the USA. Against the background of the clustering of liabilities extending beyond the mortgage market, the media became increasingly interested in the risks facing the financial services sector as a whole. In the public media discourse, the subprime crisis gradually turned into a financial crisis of the banks with serious consequences for the financial markets as a whole. The clustering of comparable corporate collapses was crucial for this intensification of the crisis perception, suggesting that some kind of epidemic may well be taking place. As a consequence of this, complex financial market products were for the first time ever discussed in a more reflective way within a broader public sphere. Risk securitization, collateralized debt obligations (CDOs) and derivative financial products were now discussed and were associated with incalculable risks. Whereas discussion of these products had previously been restricted to specialized economic and business media, the cascade of corporate collapses boosted the resonance for these product categories. New crisis definitions appeared in this context, i. e. the framing of the crisis was intensified: the media now talked about the “bank crisis” or the “financial crisis of the banks” and increasingly also of the “financial market crisis”. The crisis was increasingly described as a financial crisis of the banks, which, because they held securities associated with the US subprime sector, had to write off billions of dollars and consequently to procure new capital. The British bank Northern Rock became a symbol of this new phase of the crisis. In September 2007, its customers queued in front of the bank to withdraw their assets. The pictures that went around the world set up associations with the bank runs familiar during the Great Depression of the 1930s. For the first time, these reflections included the overall social and national-economic consequences of the crisis. The comparison with the 1930s led to the crisis losing its previously restricted character with relevance only to the bank industry and gaining in dramatic impact. The synchronic escalation of the crisis (from individual cases to an epidemic of corporate collapses) was now followed by a diachronic intensification of the crisis perception: the current crisis was compared with the economic crisis of the 1930s as the significance of the current crisis acquired a historical dimension. The politicization of the crisis was also of central significance for the further intensi-

fication of its perception. A key event here was the near collapse of the investment bank Bear Stearns.

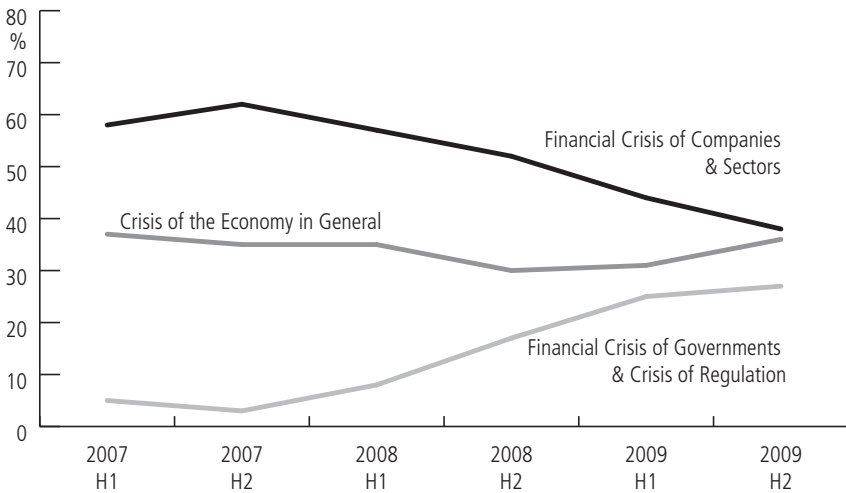
In March 2008, Bear Stearns was taken over by JP Morgan thank only to the support from the US government and hence avoided going under. The crisis now drew increasingly politics into its wake, as serious negative effects were expected on the economy as a whole. The public discourse was now characterized by a symbolism expressing the fact that bold political action was called for in order to prevent far-reaching consequences for the economy and society. Within the horizon of this politicized crisis perception, the various prime rate reductions by the issuing banks as well as the first rescue package decided by the US government were interpreted as necessary steps to control the crisis. This was now seen more than ever to pose a substantial risk to the economy in a global context. The crisis reached its provisional reporting high point in autumn 2008 with the collapse of Lehman Brothers and the near collapse of AIG, provoking further intensification of reporting on the crisis. During this peak phase, articles on the crisis appeared almost daily in the media. A further intensification of the crisis perception can be noted as its focus shifted more strongly from meso to macro level: the picture was no longer limited to individual banks and companies going through a crisis. Instead, the crisis had now developed to engulf the entire financial system. As a consequence of the rapid loss of confidence, the banks were no longer willing to lend each other money, thus bringing interbank trading to a standstill. The crisis was thereby transformed into a “crisis of the financial markets”.

Even if the reporting on the crisis by the various international media revealed very similar crisis dynamics and key events, differences in media coverage were nevertheless also apparent. The geographic focus of the media reporting in particular differed greatly between the media. The reporting by the *New York Times* and *The Guardian* showed a strongly domestic orientation. The articles in the leading US and British media described the crisis predominantly via events at home: 80–90% of the crisis events revealed an internal perspective; the crisis abroad was practically ignored by these media. The *NZZ* saw the crisis as taking place outside Switzerland, especially at the beginning. However, with its continuing coverage of the crisis, the *NZZ* also weighted the references of this problem to domestic politics more strongly. As a result, the increasing virulence and intensity of the crisis led to its perception acquiring a more pronounced national character in all media. The more serious the crisis was seen to be, the more strongly did the media reflect its consequences within their respective national contexts.

The following conclusion may be drawn: the crisis reporting by the media was greatly intensified in the period 2007–2009, when the focus of the crisis changed. Key events played an important role in this transformation. The crisis autumn of 2008, which witnessed the collapse of Lehman Brothers and the financial straits of major financial institutions such as AIG, UBS, Citigroup and Merrill Lynch, to

mention only the most significant ones, was the turning point. After it, the crisis changed increasingly from being seen as affecting individual companies and sectors, especially the bank sector, to becoming a crisis of society as a whole (cf. Fig. 2). The focus of the crisis had thus shifted from the meso to macro level.

Figure 2 Crisis focus of the media coverage



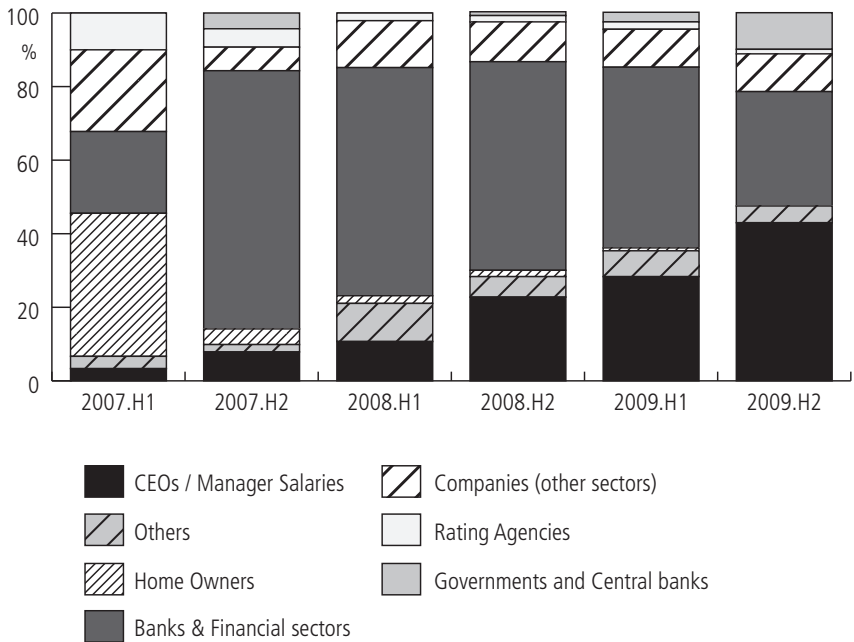
The graph shows the central crisis focus of the media reports. The share of those reports that treat the crisis centrally on the basis of company crises declined from 58% in the first half of 2007 to 38% in the second half of 2009.

The share of the crisis reporting that presented the social risk due to the crisis and the regulatory deficits as central to the problem rose successively from 5% of the total coverage in the first half of 2007 to 26% in the second half of 2009. As the perceptions changed, regulatory issues focusing on how such risks emanating from major banks could be prevented in the future became increasingly important. So, as the perceived virulence of the crisis became more acute, the regulatory discourse gained in importance in the public media debate and the crisis acquired a political character. Accordingly, the increasingly fragile confidence in the capitalist economic system had to be restored or compensated by external state regulation.

### 4.3 Causes of and solutions to the crisis (diagnostic and prognostic framing)

Apart from a description of the symptoms that ultimately led to the public perception that the crisis was real, attributions of causes and blame represent important parts of the construction and constitution of the crisis via media communications. Especially the attributions of blame, often associated with a strong whiff of scandal

Figure 3 Culprits of the crisis



The graph shows the principal culprits of the crisis named in the media reporting over time. The share of mentions in the media that blame governments and central banks for the crisis is not particularly high and never exceeds the 10% mark.

and moral censure, which may be seen as the strictest form of cause description, make a significant contribution to intensifying the perception of the crisis. Crises are “constructions of failure” (Hay, 1996, 255). They are events in which unintended consequences of actions are seen as problems and made explicit, and whose culprits are publically pilloried. Accordingly, a crisis, which is also designated in the literature as an occasion of “creative destruction” (Imhof, 2006b), harbors crisis-solution patterns capable of resolving conflicts and hopefully contributing to a new social stability.

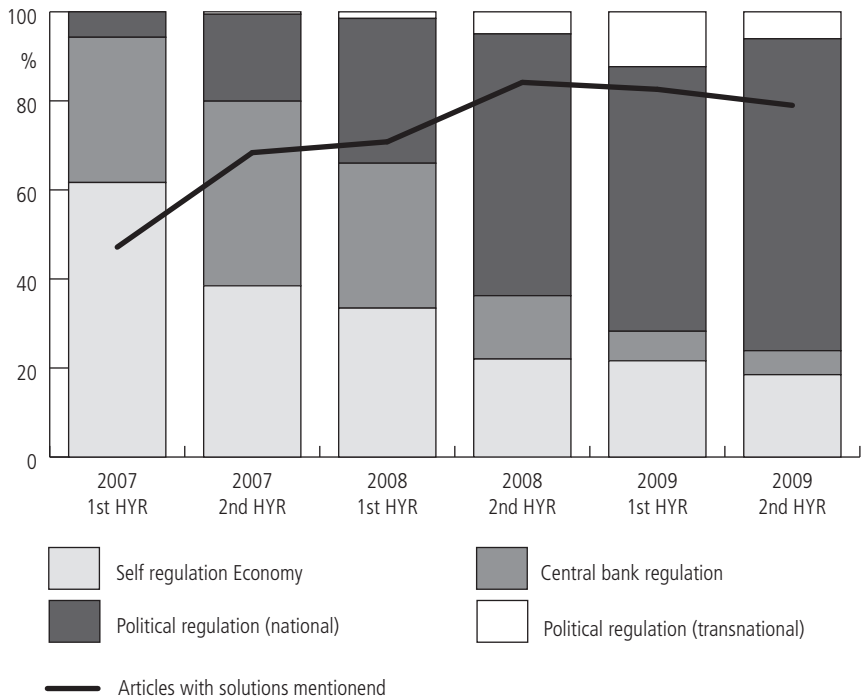
Like many previous crises, the present one has rekindled the antagonism between business and politics or the state, and brought to light two diametrically opposed patterns of explanation for the crisis. On one side, the banks and their CEOs are seen as the principal culprits, who provoked massive economic losses by taking excessive risks. On the other side, the blame is laid at the door of ineffective supervisory bodies and a lack of regulations, i. e. by the political powers and issuing banks, who were seen as having contributed to the creation of a financial bubble by permitting excessively low capital costs. The great majority of opinions expressed in the media see the financial industry, and particularly the CEOs of its companies, as primarily responsible for the current crisis (cf. Fig. 3).

Between 70% and 80% of the blame attributions expressed in the media refer to this group of actors. The banks are blamed for possessing a false risk awareness, consequently sparking a general debate about their social utility and fundamental purpose. The criticism of investment banking in particular, which is seen as the critical focus of these ominous developments, increased strongly. Whereas the major banks, which were perceived to have jeopardized the whole banking system, had principally to fight with acceptance problems in the public debate for these reasons, small and cooperative banks tended rather to gain in reputation. Especially in Switzerland, where the majority of the cooperative and regional banks were able to escape unscathed, a strong distinction was made between the culpable major banks and the small banks. However, this gain in sympathy for small banks did not turn out to be equally strong in all the examined countries. As the crisis advanced, these culpability debates in the media began to focus increasingly on personalities. There was also a strong increase in criticism of the managers and CEOs of the banks. The share of personalized blame attributions increased in the public discussion between 2007 and 2009 from 7% to 23%, i. e. at the high point of the crisis almost every fourth blame attribution in the media was directed at the managers and CEOs of the finance industry as the principal culprits. The current crisis has contributed to a rapid collapse of the reputations of a part of the business elite. The basic tenor of this criticism was as follows: corporate leaders had been led by their greed for profits to take excessive risks and consequently steered their companies into a financial mess. This form of blame attribution could be observed in all media. This is not merely a specifically Swiss perspective on the problem, as one might assume, showing that the way in which the media presented its criticism of manager pay during the past ten years had fallen on particularly fruitful soil (Vonwil and Schranz, 2007). Indeed, in the *New York Times*, and above all in the *Guardian*, this form of personalized blame attribution was expressed even more strongly than in Switzerland.

We are consequently faced by the singular finding that the media shifted their focus from a meso to a macro level as the crisis dynamics advanced and went over to stress the systemic character of the crisis more strongly. However, when it comes to naming causes and demanding solutions, we note that

the reporting had acquired a markedly personalized form. Criticism was not leveled at structures and systems, but at fallible individuals. And the call was not for repairs to the system, but mainly for heads to roll in fallible companies. There was a clear dominance of pointing the blame at individuals in the business world. Only a small part of the analyzed blame attributions sees the central causes of the crisis as stemming from politics or the unsound interest rate policies of the national banks. The reproach that politicians had encouraged cheap money and thus contributed actively to the development of the subprime bubble failed to convince in the public debate. The share of those who considered the state as a central cause of the crisis remained at less than 10% during the entire period of the study, but began to rise as the crisis progressed and acquired a boost in the spring and summer of 2010 with the semantic evolution of the financial market and global economic

Figure 4: Solutions



The graph shows the most frequently mentioned solutions to the crisis. The support for self-regulation of the economy declined strongly in the period 2007–2009. The black line shows the proportion of articles that covered these measures. It indicates that as the crisis advanced the crisis-solution discourse in the media gained in importance.

crisis to a debt crisis of the nation states (cf. also the statements in the Discussion section). The liberal criticism of the irresponsible behavior shown by insolvent homeowners who bought homes for which they were quite unable to pay was also hardly seen as a key cause of the crisis in the public sphere of the media. This aspect was only convincing at the beginning of the debate in the context of the subprime crisis and retained a certain plausibility, especially in the US reporting of the *New York Times*. In contrast, the rating agencies were widely seen as causing the crisis. They were accused of failing to give early warning of ailing companies and products and of having acted irresponsibly by giving positive ratings to the financial products that triggered the crisis.

Whereas the blame attributions and the discussions about the causes of the crisis were certainly of great importance, especially at the beginning of the crisis, the debate on resolving the crisis in the media grew more and more important as the crisis progressed (cf. Fig. 4).

The debate about how to resolve the crisis grew more intense in the second half of 2007 and reached another high pitch in the second half of 2008 in the context of the collapse of Lehman Brothers. Analogously to the attributions of blame, a conflict also arose between those political actors who wished to leave the regulation as much as possible to market forces and those actors who advocated stronger intervention in the market by external government regulation. In harmony with the growing criticism of the banks and CEOs, the media analysis shows a marked decline in those voices advocating self-regulation. At the same time, these voices not only became fewer in number but also increasingly lost public acceptance, in line with the increasing criticism leveled at banks and bankers. In contrast to this, the actors who advocated government regulation and tougher rules for the financial market gained in their power to define this issue in the media. A majority of these voices advocated concrete reform steps within the scope of their own national state. Only a small proportion of them referred to a supranational level of regulation (G8, G20, EU). This once again confirms the finding noted above that the discourse on the crisis acquired an increasingly national character in the course of its escalation. The crisis was presented as having a global reach, but a national focus clearly dominated as regards its consequences and possible solutions. Quite evidently, the action taken by the respective national banks as well as the national rescue packages attracted particularly great interest.

## 5 Discussion

This paper aimed to show how the crisis was constructed in communication terms in the public debate in Switzerland, the UK and the USA during the period 2007–2009. The analysis of the media reporting showed that since June 2007 the crisis coverage

not only gained successively in importance in all the media and reached its peak after the collapse of the Lehman Brothers in autumn 2008, but that the times and strengths of the intensification proved to be very similar in the three examined media, namely *Neue Zürcher Zeitung*, *The New York Times* and *The Guardian*. The nature of the problem, described by the media at first as a subprime crisis, then as a bank crisis, a financial market crisis and finally as a global economic crisis, additionally set in motion a spate of strongly moralizing and personality-focused media reporting that publicly pilloried the major banks and especially their management elite as the culprits behind the crisis. This criticism then led to a strong loss in reputation and acceptance of the business elite of the finance industry in the public sphere and initiated an intensive crisis resolution debate in which the advocates of tougher government regulation of the finance industry gained in power to define the issues.

To summarize and generalize, we would note the following indicators which point to the construction by the media of a crisis of heightened intensity: to begin with, as the virulence of the crisis increased, reporting about it shifted from a singular corporate focus and encouraged the perception that an epidemic was under way in the form of an autodynamic process that successively affected additional actors/companies. Accordingly, the expectation of an unpredictable and successive encroachment of the crisis to engulf ever newer objects is characteristic of its intensity. In parallel to this, the crisis reporting appeared to shift from a meso to a macro level. The potential threat implied by the crisis was magnified by the media to the degree that it could be described as a “system crisis” which could potentially generate new successive crises (company collapses) everywhere and at any time. This generalization of the crisis perception was reflected in corresponding conceptualizations that were abstracted from individual cases (“financial market crisis”, “global economic crisis”). Although the interpretation template of a global-systemic crisis grew in importance as the reporting on the topic progressed, its consequences were reflected primarily within the context of the respective nation states. The reporting on the crisis thus betrayed a national bias in treating its consequences, and this increased as the crisis escalated in the public discourse. In the same way, the shift of the crisis perception to the macro level does not lead to a solution discourse based on the need to change existing structures, processes and relationships. Instead, we see a marked personality focus, specifically as regards the causes and solutions. The crisis is laid primarily at the door of the misdeeds of certain individuals. The solution discourse also has a strongly personalized character. Instead of fundamental system repairs, the overwhelming demand is that heads must roll. Finally, critical key events are seen to be particularly significant for the radical breaks associated in the media with an escalation of the perceived crisis. These events are presented in the media as analogous to natural catastrophes whose evidently critical nature cannot be questioned.

From the perspective of social change, finally, the key political question is about the extent to which these critical events represent a fundamental break with the past. Do these discussions constitute a basic debate about the economic system which touches on the foundations of the capitalist economic order? Or do they rather describe the picture of a crisis within the foundations of capitalism itself? The way in which the crisis has been talked about in the last three years in the public sphere of the media would tend to suggest a need to adapt the framework conditions of capitalism rather than actually questioning its basis. The following reasons that we have gleaned from our analysis of the media reports substantiate such a viewpoint.

The following patterns may be noted for all the examined media:

- 1 The absence of any alternative to the prevailing capitalist social order. Despite the strong criticism of the development of financial market capitalism, there is a complete lack of an alternative social order in the public media debate, as well as a striking absence of any actors, such as the anti-globalization movement, whom we might expect to formulate such an alternative. The crisis discussion is characterized by actors from the centre of political power, i. e., by governments and supranational bodies such as the G20 and the EU, by central banks and regulation authorities within the financial sector, by political parties, by economic associations and bank representatives who try to defend themselves against possible demands for regulation. The current debate on the crisis may thus be seen as a conflict between various power centers and elites of the fundamental capitalist order. This makes a fundamental reform of the prevailing social model or of the capitalist economic order improbable.
- 2 Much more than a general criticism of the principle of capitalism, the current debate represents a profound critique of the current state of the financial industry. Within the scope of this discussion, a fundamental conflict has arisen concerning the tasks that banks ought to perform. Right up to the highest echelons of politics, the utility of investment banking for the national economy has been questioned.
- 3 In addition, the current debate concerns a profound delegitimation of the financial elite, especially the leaders of the major global banks. However, this strongly personality-focused critique of the CEOs implies the danger that the fundamental problems facing the financial sector are suppressed. The marked personality focus of the process of blame attribution may well limit the response to the social crisis to superficial personality-based repairs instead of far-reaching system changes. Accordingly, it may be expected that the crisis will be treated by the principle of heads must roll (appointment of new leaders) instead of tackling the necessary repairs to the system.

Since the time that this analysis was performed, the crisis has developed further again in 2010. After the subprime crisis, the bank and financial market crisis and the

global economic crisis, the media are currently presenting the picture of a debt crisis of the nation states that have brought themselves into financial difficulties by investing in billion-dollar packages. The Euro crisis and the financial crisis of individual nation states such as Greece, Spain and Ireland have rather tended to support the voices that question the excessive influence of the state, the crisis interventions and the effect of financial rescue packages. The result has been to weaken the demands for radical reform of the financial market. The aggravation of the global economic crisis in the form of a debt crisis of nation states has consequently led to a backlash in recent months. And not a few voices in the public debate warn that this development may well lead to the political window of opportunity for fundamental reforms of the financial market closing again.

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