In the aftermath of financial crisis 2007, a wide array of financial sector policies to prevent future crisis are discussed on the national and supranational level. This reform process is accompanied by a public discourse about responsibilities and competencies: who is to blame for failures in financial sector: the banks, the financial supervision institutions, the financial minister or the reckless use of subprime mortgages? The paper focuses on the debate on the national financial market supervision and its political key players.

The process of responsibility attribution influences the image, the competences and the legitimacy of political authorities. Thus, by detecting reasons for the perception of a political problem, the media influences the behaviour of political actors and the scope of problem solving strategies.

The paper develops a content-analysis instrument, in order to capture responsibility attribution in the political public sphere. Based on a systematic analysis of four newspapers, the paper compares Switzerland and the United Kingdom in the time period of June 2007 until October 2010. The paper examines whether the pattern of responsibility attributions in the media has an effect on the political actors in the financial sector. Furthermore, the conditions for media effects are under scrutiny. It is analyzed if the media takes an essential part in constructing responsibility attribution in the public sphere and if institutional characteristics of the political system influence the media’s agenda setting power.
Mediatisation of the financial sector?

Financial sector politics is traditionally characterized as an area of “low” politics. Technicality limits the scope of politicisation, thus, only a few actor groups are involved in the political decision-making process. However, in times of substantial financial crisis, society as a whole is affected and the media plays a crucial role as an information provider and opinion former. Questions of a technical nature receive wide media coverage and enable a public debate. However, this does not per se imply political consequences (Busch 2004: 325). The recent financial crisis offers an optimum starting position to analyse the interaction of media and politics. The crisis provides insight in a policy field that in general is not in the public spotlight and furthermore, it offers an opportunity to analyse what kind of political dynamic the factor “media” creates.

According to Strombäck/Esser (2009) mediatisation can be defined as the growing intrusion of the media logic as an institutional rule into fields where other rules of defining appropriate behaviour prevailed before. Mediatization of politics is an ongoing process of interaction of mass media and politics; it refers to whether political change is due to the media logic or the political logic. It is assumed that this is not a trade-off, it is rather seen an extension of the influence on mass media on politics. Mediatization claims that politicians need to build their trustworthiness through media, according to the norms of the media. Politicians are not “victims” of the mediatization; often they use the media in their own ends, they adapt to the media logic: “...media logic can be understood as a particular way of seeing, covering, and interpreting social, cultural and political phenomena.” (Strömbäck/Esser 2009: 212). Thus, the mass media covers and interprets a political problem according to its own logic what affects citizens’ perception of who should render account. At the same time, by defining possible reasons that caused the problem, the media influences the political problem-solving process (Gerhard et al. 2007: 106). This paper is located in the ongoing debate about the changing relationship of media and politics. For some time, the media is no longer considered as the “forth estate”, but the findings of the numerous empirical studies are contradictory and the unsolved question if and how the media determines the political agenda remains. However, scholars of media and political science claim rather to develop theoretical specification than making either/or conclusions. A common ground of theoretical suggestions is the inclusion of an institutional dimension in the analysis such as the characteristics of the political and the media system, the internal organisation of political actors or the embedding of the relevant actors in the political system. The challenge consists in examine the conditions under which the media influences the political agenda and furthermore, which parts of the political system are affected and what the media effects actually are (Marcinkowski 2005: 364). Another approach arises from the policy analysis that aims to specify the effects of the media on politics based on the comparative analysis of different policy fields and focuses on the changing actor and power constellation in the media society (Koch-Baumgartner 2007: 10). Thus, the main explanatory factor lies in the characteristics of a policy field; the media’s power in environmental policies is different than in social policies. Furthermore, the whole policy cycle is under scrutiny, not only the agenda setting process (Koch-Baumgartner 2009: 300). The analysis is located only in one policy field – the financial sector, especially the supervision of the financial market and its participants. Even though the policy field does not vary, the in depth analysis of financial sector politics allows to elaborate the potential change of actor constellations and power allocation in the media society that can be compared to other policy fields in future research.

This study is interested in detecting institutional factors that determine the adaption of politics to the media logic and mainly to provide empirical evidence for the theoretical proposition of the mass media’s agenda setting power. The goal of the study is to classify the results within a broader context. Therefore, the model of political agenda setting by the media by Walgrave/ Van Aelst (2006) – where political context variables are essential (p.104), is used to generate testable hypotheses.

The financial sector and the prominent role of agencies

The framework by Walgrave/van Aelst (2006) assumes that the media’s political agenda setting power depends on the media input (type of media, issue covered in the news and the sort ofnews coverage) and the

2 See e.g. Marcinkowski (2005), Donges (2005) or Walgrave; Van Alest (2006).
political context (time period, characteristics of the actor and institutional features of the political system). There are five possible outputs in the model that are a combination of the dimension slow/fast adoption and substantial (legislative, regulatory or administrative consequences) and symbolic (rhetorical reaction) adoption. For example, a parliamentary actor is assumed to show a fast symbolic reaction to negative press coverage in the print media (p. 103f). This study is interested in institutional features of the political system combined with characteristics of the political actors. The focus is on institutional settings that consist of delegation of power relationships where the responsibilities are rather complex and it is not immediately obvious who is obliged to take actions, especially not to the public at large. Therefore, it is assumed that the media plays an essential part in disentangle the responsibilities in a policy field and in return, the political actors adapt their behaviour. It is hypothesized that the adaption differs according to an actors’ dependency on the voter’s will. Since the mid-1980s, independent regulatory agencies (IRAs) have spread throughout the world, especially in the fields of electricity, telecommunication and financial markets (Majone 1999, Gilardi 2005). In this study the financial sector is under scrutiny. The policy field is dominated by actors that are not accountable to the public and publicity is not their first priority. From a democratic point of view, the financial supervision agencies are of a particular interest. They can be characterized as IRAs. IRAs are non-majoritarian institutions that possess and exercise public authority. They are neither directly elected by the people nor directly managed by elected officials. This category of institutions includes specialised courts, standard setting boards, central banks and the European Commission as well as regulatory agencies in several policy fields (Thatcher/Stone Sweet 2002: 2). According to the regulatory state literature, the term “independence” is the one that varies most among the institutional design of the existing IRAs and it depends on the extent (complete or partial) of delegation (Gilardi 2005a: 140). An agency can be linked to a ministry, a bureaucratic department or the like, as long as it is not merely a part of this entity it is classified as an independent agency. Their principal source of legitimacy relies on the agency’s independence from political authorities and the regulated industries. Independence is assumed to be the prerequisite for efficient regulation and in return efficient and effective performance promotes output-legitimacy. Further, independence per se is a source of legitimacy. The need for independence justifies a legitimacy deficit because the insulation from the representative institutions is crucial for the functioning of the system, this holds especially true for a sector like the financial market that heavily relies on credible policy commitments (Maggi et al. 2009: 144ff). The elected politicians delegate power to an IRA to make a commitment to a specific policy; announcements made by an IRA are assumed to be more credible than made by elected politicians who are interested in their re-election instead of long-term developments. IRAs are therefore an institutional feature of the regulatory state to protect political programs from changes in government (e.g. Levi/Stoker 2000, Moe 1990, Majone 1997). The logic of IRAs requires the independence from industry interest groups as well as from myopic politicians who focus on the next elections (Olsen 2009: 443). This implies that an IRA should not be influenced by the volatility of public opinion and its effects on politicians. Further, in delegating unpopular policy domains to IRAs, politicians retain the option of blame-shifting; IRAs provide technical expertise and finally, they can be established to implement international guidelines created by supranational institutions. Over all, IRAs should enhance the efficiency and problem-solving capacity of policy-making (Braun 2002: 105, Thatcher/Stone Sweet 2002: 4). Hence, an IRA’s source of legitimacy originates from its superior performance relative to the expected output of policy-making by elected politicians. Therefore, output legitimacy is the standard justification for IRAs (Majone 1996, Levy 1996, Thatcher/Stone Sweet 2002). However, at times of crisis the standard procedures may be overridden. The agency is not perceived as the appropriate authority to fulfill the delegated tasks anymore. Consequently, further political authorities are included in the problem-solving process and the IRA can not maintain the belief of delivering superior policies. Boin et al. (2005) emphasise that agencies usually are concerned with the implementation of policies and are challenged if they are confronted with a crisis and have to respond immediately, furthermore the agency has to deal with an inter-organizational environment and has to adapt its day-to-day behaviour (p. 106f). Performance is an unreliable source of legitimacy and transforms the agency into an institution that remains subject to ebb and flow of circumstances it is not able to govern; unless the agency cares for an additional source of legitimacy: public support. This implies an adjustment of the agency’s behaviour towards the one of representative institutions. According to Scharpf (1993), democratic governments have to be effective (provide solutions for social problem) and authentic (the solutions have to reflect the popular will) (p. 27). Therefore,  

\footnote{Model see annex.}
political actors obtain legitimacy if they tackle social problems (output-legitimacy) and if they succeed in communicating their strategies to the public. Thus, problem-solving strategies are linked to retention of power strategies and communication skills are a necessary asset to be in power (Kamps 2007: 359). More over, framing responsibility through political communication is a necessary supplement of input-legitimacy, because it increases the visibility of involved actors and therefore facilitates the accountability of the political actors (Meyer 1999: 622). It is hypothesized that — even though it contradicts the general idea of an IRA, the news coverage also affects non-elected actors.

The study performs a comparative case study analysis of the IRAs in the financial sector in Switzerland and The United Kingdom. Based on a content analysis of two newspapers per country the agenda setting power of the media and the strategic use of the media in an institutional setting characterized by a principle-agent structure is under scrutiny.

Hypotheses

Who adapts its behaviour to the news coverage in a delegation of power relationship?

The model of Walgrave/Van Aelst (2006) assumes that the institutional ownership of an issue influences the media’s agenda setting power. The more obvious an actor’s responsibility for a political issue the more the news coverage on this issue will force the actor to take action (p.93). Consequently, in a delegation of power setting, the institutional ownership is diffuse and little political reaction to the media is expected. However, the complexity of responsibilities for a political issue does not prevent the media to construct their own line of responsibilities that do not have to correspond to the formal lines of responsibilities. Hence, if the institutional ownership for an issue is characterized as a delegation of power relationship, the perception of the media who is responsible has an impact on the media’s power to enforce political action. If the media depicts a clear responsibility attribution for an issue, the media coverage on this issue will urge the actor to take actions. The formal lines of responsibilities are combined with informal lines constructed by the media. Either way, the political actors can be forced to give account to the public.

In a delegation of power relationship, the media effects from press coverage can be specified according to the roles of principals or agents. In general, a principle who is elected by the people delegates power to an agency that is not directly elected. The theory of the public attribution of responsibility assumes that the institutional position of an actor in the political system and the resulting strategic considerations determines its attitude towards publicity. Courts, for example, do hardly ever react to public pressure; they are only bound by law and not the popular will (Gerhards 2007: 553, Marschall 2009: 218). The same applies to IRAs. The agencies are intentionally established as non-representative institutions and they do not depend upon the public approval. IRAs are legitimated by delivering superior policy outputs than elected officials⁴. IRAs, in contradiction to elected political actors, have no incentives to invest in their public reputation. Consequently, the reaction to news coverage differs between elected and non-elected bodies. A policy issues where elected and non-elected political actors are involved, the media’s effect on politics is rooted in an actors’ dependency on the voter’s will. An effect of the media is defined as a reaction of an actor because of the negative press coverage in the print media. The indicator for a reaction is if an actor proposes a solution via the media. In the model of Walgrave/ Van Aelst (2006) this corresponds to the category no reaction or the category fast symbolic reaction.

In a delegation of power relationship the media’s agenda setting power is limited:

H1a Media effect

_Elected actors are urged by the media to take action if they are blamed for policy failures._

H1b No media effect

_Non-elected actors have no incentive to take actions if they are blamed by the media for policy failures._

⁴ See page 2.
Who uses the media as a strategic resource?

In times of crisis, search for the causes of political failures starts immediately and established authorities are questioned. Thus, the involved actors have an incentive to defend their position and consolidate their power. In this study it is hypothesized that not only to be blamed for failures, but also the actor constellation in the policy field affects the agenda setting power of the media. Especially the competition for responsibilities in the policy field affects the reaction to media issues. Hence, under certain circumstances non-elected political actors can be urged by the media to react. IRAs address their principals via the media and try to impress them with positive press coverage to prove that they fulfil their tasks. The competition for responsibilities amongst institutions in a policy field increases the use of the media as a source of power and they consider going public as an adequate strategy (Marschall 2009: 220). Therefore, the more actors are worth considering for mandates in the policy field, the higher the visibility of the involved actors in general. Political communication literature assumes that actors use the “going public” mechanism to improve their bargaining position in the political decision-making process (Kamps 2007: 365, Baumgartner/Koch 2009: 308; Walgrave/Van Aelst 2006: 100). In general, IRAs invest more in their positive portrayal towards their principals and other influential actors in the policy field than towards the public at large because of their institutional characteristics (Deacon/Monk 2001: 37). However, in using the media to create a positive image, they reach nevertheless a broader public and expose themselves to public criticism. Consequently, they have to deal on equal terms with the public as the elected actors and can therefore be urged by the media to act.

Hence, communication strategies intend to maintain political influence. Blumler and Gurevitch (1996) describe the public system as a “power brokering sphere” where political actors struggle for media attention that is a “vital source of potential influence and power” (p. 127). Thus, in a competitive arena, non-elected actors as well as elected political actors must consider political support and the difference in their communicative behaviour diminishes. The non-elected actors adapt their communication strategies to the ones of elected political actors and the agenda setting power of the media increases as both, agent and principle reinforce through their communicative behaviour the adoption of issues portrayed in the media.

Methodology

The process of attributing responsibility predominantly takes place within the public sphere. According to Gerhards et al. (2007) political news are not only reported but expediently constructed and interpreted. Attributing responsibility and causalities has an effect on citizens, because evaluation and estimation of political actors are experienced indirectly, through the media because of the public’s limited access to politics (p. 106). A media analysis based on the code scheme from Gerhards et al. (2007) offers the possibility to capture the pattern of responsibility attributions of the relevant actors in a specific policy field and to place the issue in a broader context, the media analysis helps to detect to what extent actors asses the importance of input-legitimacy. As outlined earlier, framing responsibilities in the media is a necessary completion of input-legitimacy as it facilitates the accountability of the responsible actors. In the analysis the actor strategies are based on the assumptions of Gerhards et al. The authors develop twelve categories of responsibility attributions that are based on the assumption that actors attribute

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Table 1

<table>
<thead>
<tr>
<th>Example of a causal attribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;The FSA, which faces being closed down if the Conservatives win the next election, was accused by politicians across party divides of watering down the much-anticipated code on pay on Wednesday.&quot;</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sender</th>
<th>politicians across party divides</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addressee</td>
<td>the FSA</td>
</tr>
<tr>
<td>Subject</td>
<td>code on pay</td>
</tr>
<tr>
<td>Moral judgement</td>
<td>negative causal attribution</td>
</tr>
<tr>
<td>Actor strategy</td>
<td>blame-shifting</td>
</tr>
</tbody>
</table>

5 See page 1.  
6 See annex table 7 and 8.
more success than failures to themselves and more failures than success to other actors (Gerhards 2009: 533). The attributions are either causal attribution (Kausalattribution): The sender attributes responsibility to the addressee referring to the cause of a political issue or competence attribution (Zuständigkeitsattribution): One actor assigns responsibility to another actor referring to the allocation of competence and calls for action (Gerhards et al. 2007: 113). The attributions consist of a moral judgment that is positive, negative or ambivalent.

In order to gain an accurate sample of press coverage, two national newspapers for each country (Switzerland: Tages-Anzeiger, Neue Zürcher Zeitung, The United Kingdom: The Daily Telegraph, The Guardian). Each of these newspapers enjoys considerable influence in the country of respect. Further the study tries to pay attention to an equally distributed liberal and conservative spectrum of the newspapers’ political orientation and focalises on quality newspaper because agencies assume that this is a more suitable way to approach the relevant political actors than via tabloids (Deacon/Monk 2001: 37). In Switzerland 253 articles (full sample) and in The United Kingdom 398 articles (random sample) were coded along a previously constructed codebook. The unit of analysis are the responsibility attributions. The single units of the dataset consist of one full attribution with regards to Gerhards et al.’s framing technique (Gerhards et al. 2007: 110). The Swiss dataset consists of 1262 attributions (attribution density: 4.9%) and the British dataset of 2114 attributions (attribution density: 4.4%).

**National cases**

This study is part of a research project on public perception and institutional features of independent regulatory agencies in the financial sector. The time period of analysis is June 2007 to October 2010 and covers the recent global financial crisis. The cases are selected on the explanatory variables. The case selection is theory-based; two cases are under scrutiny: Switzerland (Eidgenössische Finanzmarktaufsicht FINMA, Swiss National Bank SNB) and The United Kingdom (Financial Services Authority FSA, Bank of England BoE). They differ on the independent variables: the formal agency independence, the financial supervision architecture, the political system and the media system. The case selection assures the controlling of several alternative explanatory variables that are crucial factors in the literature on financial supervision: they are both financial centres of global weight and suffered from heavy losses in the recent financial crisis, the extent of the crisis and the impact on the financial sector should therefore be constant across the two cases. Furthermore, Switzerland and the United Kingdom have liberal approaches to economic governance (Busch 2004: 314). The agencies under scrutiny are both umbrella institutions: There is only one agency (besides the central bank) that is responsible for financial market supervision. Several countries have different supervision institutions for banks, insurance companies, securities etc. or the institutions are on the federal and on the national level (e.g. USA, Canada).

In contrast to Switzerland, The United Kingdom is a member of the EU; therefore the public could also attribute accountability to the financial supervision institutions on the EU level. This has been taken into account in the data analysis. However, competencies for financial sector supervision still lie on the national level, and EU institutions do not have a strong influence on national financial sector regulation, yet. Therefore it is assumed that the public first of all relates to the national regulator. Moreover, financial sector supervision in Switzerland is affected by developments on the EU level in form of third countries arrangements. The agencies under scrutiny are umbrella institutions: There is only one agency (besides the central bank) that is responsible for financial market supervision. Several countries have different supervision institutions for banks, insurance companies, securities etc. or the institutions are on the federal and on the national level (e.g. USA, Canada). The inclusion of different supervisory architectures (integrated and multiple supervision agencies) would blur the relationship between the financial supervision agency and the central bank that is under scrutiny in this study. According to Llewellyn, the different supervisory architectures influence the allocations of the responsibilities within the financial sector, the more agencies are involved the more opaque the lines of responsibilities in the financial sector (p. 13).

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1 The articles were selected by topic and by actors.
2 Attribution density = attributions/article.
3 For an overview of the banking system of Switzerland and the United Kingdom see Busch (2009).
4 For a general idea see Masciandaro (2007).
5 For a general idea see Masciandaro (2007).
Findings

Who adapts its behaviour to the news coverage in a delegation of power relationship?

H1a Media effect
_Elected actors are urged by the media to take action if they are blamed for policy failures._

H1b No media effect
_Non-elected actors have no incentive to take actions if they are blamed by the media for policy failures._

In H1 the institutional position of an actor in the political system and its attitude towards publicity is under scrutiny. It is assumed that there is a difference in the strategic behaviour of elected and non-elected actors. The visibility in the media of elected actors is assumed to be higher than the one of non-elected actors that have no incentive to invest in their public reputation. However in Switzerland, the absolute numbers of the attributions made by elected political actors (222) is slightly lower than the attributions of non-elected political actors (256) and in the United Kingdom the elected actors attributions (550) do not significantly surmount the non-elected (394) ones. Thus, the visibility of elected and non-elected political actors in the media is in balance.

The allocation of blame in the media shows two main culprits in both countries: the industry and the national FSI (see table 2). In the United Kingdom the blame is more scattered than in Switzerland. The Ministry of Finance and the government bear almost the same amount of blame and the British central bank is blamed four times as much as the one in Switzerland for failures during the recent financial crisis. The attribution of blame in the financial sector supports the assumption that the institutional ownership for an issue is diffuse if the institutional setting in this policy field is characterized by a principal agent relationship. The slightly more dispersed blame allocation in the United Kingdom could be due to the tripartite supervisory architecture that consists of the financial supervision institution (FSA), the central bank (BoE) and the Ministry of Finance (HMT). The media generally refers to this tripartite structure and all three actors are blamed for failures, thus, together they bear almost half of the blame. In contrast to Switzerland, the Ministry of Finance is directly linked to the IRAs in the financial sector and explicitly depicted as a part of the supervisory architecture.

In both countries, apart from the industry, most of the blame is attributed to the non-elected political actors (FSI, CB). Corresponding to the hypotheses H1a and H1b, there should be no effect of the press coverage on the behaviour of IRAs. Hence, the FSI and the CB are not assumed to have an important role as a sender in the attribution of responsibilities in the media. Interestingly, there is empirical evidence in both countries that contradicts this assumption. In approximately 20% of all responsibility attributions in the media, the IRAs in the financial sector act as a sender. Moreover, the attributions that include suggestions for improvement in financial sector politics are in 30% sent by IRAs. The fact that these non-elected actors invest in political communication and convey their policy reform proposals for the financial sector to the public fosters the idea that negative press coverage can have the similar effect on elected and non-elected actors. The attribution of blame urges the actors to react. In the model of Walgrave/Van Aelst (2006) this political adoption would be classified as a fast reaction (p. 101). These

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12 Coded as elected actors in the media analysis: Politics, government, parliament, opposition, parties, ministry of finance, financial minister; coded as non-elected actors: administration, judiciary, financial supervision institution, central bank, head financial supervision institution, head central bank.
reactions are of a symbolic character; a substantial reaction is time consuming and more likely at the end of a
crisis when the media already might have lost interest. To make a distinction between symbolic and substantial
reaction, the actual policy proposals have to be analyzed. This will be tackled in the second part of the overall
project.
Further, the suggestion of policy amendments in the media indicates that the sender of these propositions is
aware of its responsibilities and interested in giving account to the public for the blame they were charged
with. In return, this communication strategy redresses the damage to an actors’ public reputation; especially in
times of crisis, when policies are declared as a matter of urgency, political actors have an incentive to promote
themselves as a leader. However, this mechanism does not require a formal obligation to give account to the
public. Formally, IRAs in the financial sector are only accountable to the Ministry of Finance, the parliament
and/or the government and yet, the responsibility attribution constructed in the media can trigger an informal
accountability mechanism.

Who uses the media as a strategic resource?

**H2**

*The more institutions compete for the same political mandate, the more the involved non-elected actors use
the media as a strategic resource and adopt media issues.*

Besides the distinction between elected and non-elected political actors, another institutional explanatory
factor for the media’s agenda setting power is under scrutiny. H2 assumes greater media effects on the
behaviour of IRAs because of the institutional competition in a policy field.
Economic literature identifies two adjustable elements of the institutional architecture of supervision agencies
in the financial sector: the degree of unification and the position in the framework of financial sector politics.
The first element corresponds with the amount of agencies involved in financial supervision. The range is from
one unified supervisor to several institutions for banks, insurance companies or securities. In some countries,
the institutions are on the federal and on the national level (e.g. USA or Canada)\(^{14}\). Further the financial
supervision institution can be a ministerial department, attached to the Ministry of Finance, a department
within the central bank or linked to the central bank or an independent agency. Nowadays, the forms of a
ministerial department and agencies attached to a department are disappearing. Unified supervisors are
predominant and they are either located inside the central bank, linked to the central bank or outside the
central bank (Quintyn 2009: 285). Hence, the link of supervision and the central bank is crucial for a
supervisory architecture, because of the mutual dependence of system stability and financial stability (Freytag
et al. 2007: 219). The main responsibilities of the central bank are monetary policy, liquidity assistance to
markets and systemic stability (Masciandaro 2005). The central bank can also be involved in financial sector
supervision. In general, a central bank focuses on the macro level whereas the financial supervision
institution’s activities are located at the micro level of the financial system. However, there are many
ways to arrange the division of labour between the central bank and the financial supervision
institutions. The worldwide reform debate about the supervisory architecture launched in the turmoil of
the recent financial crisis has a great potential to threaten the agencies in the financial sector in their
present form.
It is hypothesized that the controversy about the allocation of mandates for financial supervision
increases a non-elected actors’ use of the media as a strategic resource to maintain its political influence and in return, reinforces the effect of the media on
politics because subjects raised in the media are adopted by the non-elected political actors.

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\(^{14}\) For a general idea see Masciandaro (2007).
In the United Kingdom the recent financial crisis coincided with the national election 2010 and the reform of the financial supervision architecture was one of the themes of the election campaign of the Tories and the Lib Dems. The current supervisory body FSA is related to the Labour Party and therefore the opposition could benefit from its failures in the recent financial crisis (Busch 2009: 135ff). In their election campaign, the Tories proposed to abolish the FSA completely and shift supervisory power to the BoE. In Switzerland, the FINMA was also strongly criticized in the recent crisis, but there was no public debate about abolishing the agency. Given the fact, that the FINMA just started its work in January 2009, it is not surprising that there were no attempts to disestablish the agency within short time. Despite the variation in competitive circumstances, table four indicates a public communication activity of the IRAs in both countries16. However, the activities differ. In the United Kingdom, the reform proposal in the election campaign and the resulting reform process by the new conservative government threatens the FSA’s very existence18. More over, the British supervisory institutions experienced in 1997 that the whole institutional framework of the financial sector supervision can be changed immediately by an incoming government (Busch 2004: 318). Therefore the agencies are more alert to announced reforms than in Switzerland and they probably know that these are not just words in an election campaign, but a demonstration of the will to reform. The strategies credit claiming and promoting leadership accounts for approximately half (47.5%) of the attributions made by the FSA. Both strategies contribute to a positive reputation and can be explained by the assumption based on Gerhards et al. (2007) that actors prefer to attribute success and especially authority to themselves in a competitive environment. Furthermore, the FSA shifts blame twice to the regulatees compared to the FINMA in Switzerland. Shifting blame to the regulatees contributes as well to a positive media presence and demonstrates that the agency is capable of filling its mandate. Hence, the British IRAs in the financial sector obviously have a stronger incentive to strengthen or even defend their position in the financial sector supervision. This could indicate that IRAs are newly established institutions and they can not rely on a secured position in the political system17.

The political communication literature emphasises the strategy of “going public” that assumes the possibility of a communication loop from the political system via the media back into the political sphere. Political actors present themselves in a positive manner and integrate elected actors have a preference for this strategy. They show that institutions that do not directly depend upon the voter’s approval are more attentive of their principle or political patron than the general public. The presence in the media is therefore important to non-elected bodies to impress their principal through positive press coverage (p. 37). H2 assumes that if there is a competition for political mandates, non-elected actors have a preference for this strategy. They present themselves in a positive manner and integrate their issues covered in the media in their political communication to demonstrate their ability to cope with the problems that arose during the crisis. A comparison of the issues covered in the media and the subjects of the solutions in the media16 shows that only particular issues correspond to the reform proposals. In both countries the issue with the largest coverage and the mostly mentioned solutions refer to the industry. The blaming of the banks and the demand for stricter regulation of the financial sector by means of capital control is a contribution to a positive reputation again. In both countries the most mentioned solutions for the finance sector are amendments to the FSI and CB by about 15% in both countries. The rest of the solutions are amendments to the FSI and the CB, but they are less mentioned than the amendments to the FSI and the CB. The solutions are also more mentioned in the United Kingdom than in Switzerland (Busch 2009: 135ff). In their study of political communication activities of quangos (quasi-autonomous non-governmental organizations) Deacon and Monk (2001) showed that institutions that do not directly depend upon the voter’s approval are more attentive of their principle or political patron than the general public. The presence in the media is therefore important to non-elected bodies to impress their principal through positive press coverage (p. 37). H2 assumes that if there is a competition for political mandates, non-elected actors have a preference for this strategy. They present themselves in a positive manner and integrate

### Table 5

<table>
<thead>
<tr>
<th>Subjects</th>
<th>CH</th>
<th>GB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial crisis (in general)</td>
<td>8.9</td>
<td>15.2</td>
</tr>
<tr>
<td>Industry</td>
<td>40.2</td>
<td>35.4</td>
</tr>
<tr>
<td>Agencies in the financial sector</td>
<td>25.2</td>
<td>13.6</td>
</tr>
<tr>
<td>Government</td>
<td>9.6</td>
<td>14.8</td>
</tr>
<tr>
<td>N</td>
<td>1262</td>
<td>2114</td>
</tr>
</tbody>
</table>

N= Total of attributions
Source: own calculations

### Table 6

<table>
<thead>
<tr>
<th>Subjects</th>
<th>CH</th>
<th>GB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking regulation</td>
<td>57.0</td>
<td>57.4</td>
</tr>
<tr>
<td>Amendments FSI</td>
<td>18.4</td>
<td>9.3</td>
</tr>
<tr>
<td>Amendments CB</td>
<td>2.1</td>
<td>7.8</td>
</tr>
<tr>
<td>Amendments FS&amp;B</td>
<td>1.5</td>
<td>4.3</td>
</tr>
<tr>
<td>Amendments political institutions</td>
<td>10.9</td>
<td>5.6</td>
</tr>
<tr>
<td>Strengthen consumers &amp; small investors</td>
<td>4.3</td>
<td>8.1</td>
</tr>
<tr>
<td>N</td>
<td>467</td>
<td>680</td>
</tr>
</tbody>
</table>

N= Total of attributions that contain solutions
Source: own calculations

---

16 Overview of the actor strategies see Annex.
17 In June 2010, the Chancellor announced the government’s intention to replace the FSA as a single financial services regulator with two new successor bodies, and restructure the UK’s financial supervisory framework that is anticipated to be in place by the end of 2012 (FSA 2011: 17ff).
18 See page 2.
19 See table 5 and 6.
requirements or remuneration policies dominated the public discourse in the media. The IRAs join this debate as well, a large part of their public communication includes blame-shifting to the industry\textsuperscript{19}. However, the issue coverage of IRAs in Switzerland is twice as high as in the United Kingdom; the percentages of solutions that refer to amendments of the FSI and/or the CB are similar in both countries. H2 would expect a higher sensitivity for media issues in the United Kingdom due to the competitive environment among the institutions in the financial sector. A possible explanations provides table four, the Ministry of Finance is one of the top three senders of solution proposals in the media. As mentioned above, in the United Kingdom the reform of the supervisory architecture is a popular issue of the incumbent party and the opposition to profile itself as a true expert in questions of finance and economy. The fact, that in the United Kingdom the frequencies of issues and solutions referring to the government are more prominent in the media than in Switzerland is probably due to the ongoing British election campaign during the data collection. However, it could as well support the assumption of a different role of the media in an opposition and a concordance democracy like Switzerland. To sum up, in a competition for political mandates the involved IRAs have a stronger preference for presenting themselves in a positive manner in the media. They use the media as a strategic resource. However, there is no empirical evidence that in a competitive situation the political actors refer more to the issues raised in the media in their communication to the public than in less competitive circumstances. These findings could be blurred due to the general uncertainty about the future of the regulation of the financial sector caused by the several reform discourses on the national and international level. Thus, even if there is no actual competition for mandates on the national level, the IRAs could feel threatened and adopt the communicative behaviour as assumed in competitive surroundings to impress their principals via the media.

\textbf{Conclusion}

The theoretical aim of the study was to contribute to a refinement of the theory of the media’s political agenda setting power, taking into account institutional explanatory factors. In the model of Walgrave/Van Aelst (2006) the generated hypotheses are located as follows:

- Media input: newspapers, diffuse institutional ownership, negative press coverage (H1).
- Political context: In times of crisis, institutional features (principal-agent relationship, competition for political mandates).
- Political adoption: No reaction or fast symbolic reaction.

This study incorporated the idea of the institutional dimension in so far as the institutional position in the political framework in general and in the supervisory framework in the financial sector in particular, was taken into account. The institutional position in the political framework considers the difference between elected and non-elected actors – what differentiates IRAs from representative political institutions as the government or the parliament? The position in the supervisory framework refers to the architecture of the supervision in the financial sector; this is how the financial supervision institution, the central bank and the Ministry of Finance are connected with each other. The focus was on an institutional setting where the responsibilities are opaque and therefore the power of the media to urge political actors to act is expected to be limited. However, based on theoretical assumptions from political communication literature, the postulated hypotheses assumed that the effect of the media is only limited on the behaviour of non-elected political actors and that the competition for mandates in a policy field increases the political adoption to the media discourse by elected as well as non-elected actors.

The major findings of the study are twofold: First, the distinction between elected and non-elected political actors does not determine their communicative behaviour. Second, a diffuse institutional ownership, as incorporated in a delegation of power relationship, does not limit the media’s effect on the behaviour of political actors. Informal lines of responsibility are constructed in the media discourse and trigger informal accountability mechanisms for IRAs.

The study concludes that the institutional position within the political framework is not crucial for an actor’s attribution of responsibility pattern. At times of crisis, elected and non-elected institutions have an equal behaviour towards the public. Apparently, IRAs acknowledge the importance of public support, although they

\footnote{See table 4.}
are appointed and do not have to worry about the re-election. The embedding within the supervisory architecture influences the communicative behaviour of agencies. They make an effort to increase their visibility in the media. The findings show that in a competitive environment, induced to actual or announced reforms of the supervisory structure, the involved agencies have a preference to promote their performance and their indispensability in the media to consolidate power. Hence, in using the media to create a positive image, they expose themselves to public criticism. Consequently, they have to deal on equal terms with the public as the elected actors and can therefore be urged by the media to act. The theoretical idea of the regulatory state literature that IRAs are established to protect political programs from the political logic has to be questioned.

The institutional ownership of issues in financial sector politics is diffuse. The allocation of the responsibilities within the financial sector is opaque (Llewellyn 2006: 13). However, the media takes an essential part in constructing public responsibility attribution. In return, by giving repeatedly account to the public via the media, the agencies establish an informal accountability mechanism. This practice is not triggered by a legal obligation, rather by the public attribution of responsibility that urges the agencies to take action. It seems as they compete with representative institutions in giving account to the public. The authority that is legally accountable does not have to be the one that is blamed by the media. But for political authorities being legally accountable or hold accountable by the public for failures is of minor difference; public perception can have a substantial impact on their legitimacy as Jones (2009) notes on the legitimacy of the European Central Bank during the recent financial crisis: “…sometimes it is not enough to do a good job, you also have to be perceived to do a good job” (p. 1087).
Who is responsible? The financial crisis 2007 in the media and its political consequences

References


Annex

Table 7
Attribution scheme

<table>
<thead>
<tr>
<th>Attribution character</th>
<th>Meaning</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignment of positive causal attribution</td>
<td>Success</td>
<td>01</td>
</tr>
<tr>
<td>Assignment of negative causal attribution</td>
<td>Failure</td>
<td>02</td>
</tr>
<tr>
<td>Rejection of positive causal attribution</td>
<td>Failure</td>
<td>04</td>
</tr>
<tr>
<td>Rejection of negative causal attribution</td>
<td>Success</td>
<td>05</td>
</tr>
<tr>
<td>Assignment of positive competence attribution</td>
<td>To be responsible</td>
<td>07</td>
</tr>
<tr>
<td>Assignment of negative competence attribution</td>
<td>Not to be responsible</td>
<td>08</td>
</tr>
<tr>
<td>Rejection of positive competence attribution</td>
<td>Not to be responsible</td>
<td>10</td>
</tr>
<tr>
<td>Rejection of negative competence attribution</td>
<td>To be responsible</td>
<td>11</td>
</tr>
<tr>
<td>No attribution</td>
<td></td>
<td>99</td>
</tr>
</tbody>
</table>

The original code scheme by Gerhards et al. (2007) included ambivalent attributions (advantages & disadvantages), yet, neither Gerhards et al. nor a pre-test study by Greuter and Hasler (2010) found empirical evidence for these categories. Therefore they were excluded from the beginning in this study.

Source: Author’s design based on Gerhards et al. (2007)

Table 8
Actor strategies at times of crisis

<table>
<thead>
<tr>
<th>Actor strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit claiming</td>
</tr>
<tr>
<td>Actors attribute success to themselves.</td>
</tr>
<tr>
<td>Admit mistakes</td>
</tr>
<tr>
<td>Actors acknowledge their past failures.</td>
</tr>
<tr>
<td>Blame-shifting</td>
</tr>
<tr>
<td>Actors attribute failure to other actors.</td>
</tr>
<tr>
<td>Compliments</td>
</tr>
<tr>
<td>Actors attribute success to other actors.</td>
</tr>
<tr>
<td>Future blame avoidance</td>
</tr>
<tr>
<td>Actors attribute responsibilities for future tasks to other actors.</td>
</tr>
<tr>
<td>Promote leadership</td>
</tr>
<tr>
<td>Actors attribute responsibilities for future tasks to themselves.</td>
</tr>
</tbody>
</table>

Source: Author’s design based on Gerhards et al. (2007).