Regulatory paradigms and elite news media narratives: an exploration of public discourse and agenda-building following the 2008 financial crisis

Regulatory Paradigms and Elite News Media Narratives: An Exploration of Public Discourse and Agenda-Building Following the 2008 Financial Crisis

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Declaration

I declare that the work presented in this thesis is solely my own.

Signed: Adam Cox Date: 22 October 2020

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Abstract

A common critique in studies about journalism and the 2008 global financial crisis has been that the press, in not warning of looming dangers, had failed to perform its watchdog role. Inadequate editorial standards, commercial pressures and systemic ideological bias were included as possible explanations. Journalists in some accounts were depicted as acting essentially like cheerleaders for unfettered capitalism. What has received less attention is how journalists performed after the crisis, and what lessons they drew from the upheaval when reporting on finance. As the crisis ran its course and a long-held societal belief in the ability of markets to self-correct was questioned, efforts to reregulate the financial industry received extensive news coverage. This thesis considers that coverage by examining discourse surrounding a landmark law in the United States. It looks at how articles and other texts framed discussion in ways that embraced or rejected competing regulatory paradigms, exploring the degree to which journalists offered platforms for pro-market viewpoints or marginalised arguments favouring paradigm shift. Texts were analysed based on the types of frames used, the actors involved and the paradigmatic alignment of frame messages. Results were evaluated in the context of interviews with journalists and other actors to understand factors that influenced coverage.

The thesis finds that despite conditions favouring paradigm shift, discourse was marked by resistance to abandoning the pre-crisis paradigm. Journalists were receptive to arguments for increased statism when reporting on crisis causes or the morality of the regulation debate. But more often, issues were framed in terms of economic consequences and here anti-interventionist frames dominated; they reinforced a narrative that regulation is inherently hostile to the economy and to ordinary people. The thesis makes two main contributions to knowledge. First, it offers a new method for analysis of news framing and narratives, one that is applicable to coverage of a range of complex subjects. Second, it adds to a body of crisis-focused literature by showing ways that pro-market narratives continued to imbue coverage after the crisis. Patterns in texts and agenda-building strategies that were identified reflect, and help explain, the resilience of a market-oriented paradigm despite the turmoil of 2008.

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Chapter 1

Introduction

In “Eight Days”, a fly-on-the-wall account in *The New Yorker* of efforts to save Lehman Brothers in September 2008, the journalist James B. Stewart illustrated the grip that a policy paradigm could hold over state decision-making. Stewart wrote of how then-U.S. Treasury Secretary Henry Paulson and other officials tried to orchestrate a private sector solution to bail out the stricken bank. As matters came to a head, Paulson “summoned Wall Street’s chief executives to the Fed, where he said emphatically that there would be no government assistance, as had already been indicated to the press” (Stewart 2009). The episode underlined how constrained top officials felt by the tenets of the prevailing market-oriented regulatory paradigm and the media implications that would result from a breach of those tenets, despite the possibility of devastating fallout from their choices. The aftermath of that decision was couched in paradigmatic terms: “In an intellectual debate that has been going on since the Depression, Lehman’s failure may mark a victory of John Maynard Keynes over Adam Smith – the government interventionists over laissez-faire capitalists.” (Stewart 2009)

Lehman collapsed on 15 September 2008. The date, in the eyes of many economists, was a tipping point which pushed the world’s financial system into its most severe crisis since the 1930s. The flow of institutional credit seized up; the value of financial assets globally plummeted; banks around the world were threatened with bankruptcy or in some cases failed outright; and governments led by the United States, Britain, Germany, Japan and China took a series of measures, including large-scale corporate assistance, to contain the crisis. The ensuing weeks led to a prolonged economic downturn.

About that much, there appeared to be broad agreement within news media, government accounts, independent analysis and scholarly research. But in the initial years following Lehman, there was considerable dispute about the events leading up to the crisis, and what was likely to happen afterwards as a result of policy choices. The economic ramifications of the situation guaranteed that the public was deeply invested in questions about regulation, arguably for the first time in seven decades.

Historically, news media's capacity to influence policymaking in highly technical areas has been considered limited (Atkinson, Lovett and Baumgartner 2014; Ciuk and Yost 2016; Kalt and Zupan 1984).[1] Ordinarily, such subjects hold little inherent interest for the public, reducing the incentive for news coverage beyond sporadic articles targeted at readers who have specialist knowledge. Yet when exceptional events related to these subjects occur and directly impact ordinary people, public salience automatically increases and editors recognise this (Galtung and Ruge 1965; Harcup and O'Neill 2001). The crisis of 2008 represents a prime example of a once low-salience subject – financial regulation – suddenly gaining widespread attention. As the crisis ran its course, the lives of many millions of people were disrupted. During this time, a long-held belief in markets' ability to self-correct was questioned and government steps to reregulate finance received extensive news coverage.

Evidence of the increased salience of regulation as a public issue could be seen in data collected by Pagliari (2013). It showed U.S. media coverage of financial regulation spiked to more than 0.4 percentage point of all measured articles in 2009-2010 from below 0.1 point in 2007 and below 0.05 point for much of the 1994- 2007 period. Data for Britain showed a similar pattern. Some 8.0 million articles in the United States and 7.9 million in Britain were analysed. News media, in an environment where salience increases so dramatically, can become a key part of an agenda-building process as actors seek to promote policies (Cobb, Ross and Ross 1976; Elder and Cobb 1984). Such processes

[1] The mechanism by which public salience plays a role in influencing regulatory policy, as argued by Kalt and Zupan, is discussed in chapter two.

inevitably raise questions about the possibility of media bias or journalists' susceptibility to the influence of other actors at critical moments.

The research presented here considers the role of elite news media[2] within an agenda-building process in the United States during the initial post-crisis period, specifically by looking at how news articles framed discussion in ways that embraced or rejected the tenets of competing regulatory paradigms. It is focused on discourse surrounding a major law – the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 – in order to consider the nature of news media's contribution to public debate. It explores the degree to which journalists offered platforms for certain actors or viewpoints, or marginalised some arguments favouring paradigm shift. It is also concerned with other actors' behaviour and the forces at play that influence discourse. Public discourse, as discussed later in this chapter, is found to be intrinsic to the formation and maintenance of policy paradigms. In particular, the thesis focuses on texts that indicate or highlight the positions of a variety of actors concerning the degree of state involvement deemed necessary to curb or guide financial market activity. These actors include the state in the form of both politicians and unelected officials, the corporate sector and other groups such as think tanks or public advocacy campaigners. To avoid any confusion, this is not a work of discourse analysis. The term discourse throughout the thesis is used in an agenda-building context, referring to the public discourse that emerged between actors as they explicitly or implicitly (and consciously or unconsciously) reinforced or contested the pre-crisis regulatory paradigm.[3]

This chapter has three aims. First, it will first provide necessary background for the literature review, methodology and case studies that will follow. That includes discussion of two important terms of reference: the concepts of what is meant by a paradigm and by an ideology. Second, it considers the evolution of regulatory policy paradigms to put the period under study within a historical context.

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[2] Criteria for what constitute elite news media, as loosely described by Chomsky (1997) and Golan (2006), are discussed in chapter three.

[3] In this sense, the term "public discourse" is line with Habermas's conception of public discourse. Škerlep argues that the "central idea of the *Structural Transformation of the Public Sphere* is that the public discourse is a discourse of argumentative public debate on important issues of general interest" (Škerlep 2014, p. 27).

Finally, it reviews the contents of the Dodd-Frank law, some of the political trends at the time, and public opinion data that emerged after the crisis. It offers these as evidence in support of a working hypothesis that post-crisis discourse did not reflect, or strongly support, paradigm shift. The question that the thesis considers is the nature of the role that elite news media may have played in the process that led to this apparent outcome, despite evidence in the eyes of many observers – in the form of the crisis itself – that the pre-crisis paradigm had failed.

1.1 Policy and the fuzzy nature of paradigm shift

We can think of policy as agreements on approaches or measures, legislative acts or decisions on policy implementation. The thesis, however, is not focused on understanding the media's role in directly or indirectly helping individual policies to be adopted or rejected. In other words, I am not looking at the news media's function as an agenda-building tool vis-à-vis any specific measures. The project is focused on the paradigms that govern policy choices. Similarly, the project does not seek to consider the various merits or demerits of one policy or policy paradigm over another.

To the extent that the thesis does look at specific policies, it generally considers policy events (e.g. the approval of a law) as acts of discourse, essentially as signifiers of the preferences of actors who have prevailed in a given political arena. In that sense, policy decisions become indicators of the prevailing paradigmatic discourse. Policy not only acts as an indicator of discourse itself, but also contextualises other indicators. For instance, the approval of the Dodd-Frank Act became part of the wider discourse as much as it was a specific regulatory action with tangible effects. In trying to determine whether a more market-oriented or interventionist paradigm was adopted by society in the post-crisis period, we can consider Dodd-Frank's approval as one part of the public discourse, one that represented a move towards adopting an interventionist paradigm. But that does not mean an interventionist paradigm actually was adopted. The reaction to Dodd-Frank in the form of the rise of the Tea Party, the 2010

Congressional mid-term elections, and various political developments are also indicators of the discourse and they cast doubt on whether some form of paradigm shift took place.

This question of doubt as to whether paradigm shift took place points to a broader issue: There appears to be no standard measure for when a paradigm has or has not been broadly adopted. Paradigms, ideologies and indicators of discourse are inherently fuzzy things. Articulating what the dominant paradigm that governs policy is at any given point in time may be open to considerable debate. The discussion can become all the more fraught once one seeks to consider whether and how dominant paradigms may have shifted over time, or are in the process of change. In absence of such a standard measure with regards to paradigm shift, this project suggests using a heuristic framework which is in line with the ideas about paradigm shift advanced by Kuhn (1970); it suggests that regulatory paradigm shift requires that both policy changes in a significant way (as in the case of a major law such as Dodd-Frank), and that the discourse surrounding it does as well, such that the discourse reflects a degree of consensus in favour of the ideological aims of the new policy position.

The idea is that, provided one can offer indicators of a change in discourse that accompany a major policy change, and some means of considering the notion of consensus, one could make a case for suggesting whether or not paradigm shift had occurred. For a project which seeks to locate news media's post-crisis role in regulatory debate, such a framework offers the potential to at least examine this fuzzy nature of paradigms. As such, it will be used to make the case in section 1.3 for a starting assumption that paradigm shift did not take place in the initial post-crisis years, despite the observation in Stewart's piece in the *New Yorker*.

Indicators of discourse

The rationale behind giving significant paradigmatic weight to discourse, in the same way that one does for policy itself, is partly due to the nature of paradigm evolution. A paradigm can be seen as a social construction (Berger and Luckmann 1966), one that Kuhn argues requires a degree of consensus. As such, our means of determining consensus is best achieved via the wider measure of considering public discourse than the narrower, technocratic measure of specific policy decisions, even a major one such as Dodd-Frank. This is because the paradigms that shape our way of viewing finance are long-term constructions, formed over years or decades, and they involve numerous events other than policy measures. We can say, for instance, that the strength of the market-oriented paradigm that had dominated in the run-up to the 2008 crisis (see section 1.2) could be gleaned through a host of developments, including decisions concerning, and reactions to, events such as the U.S. savings and loan crisis of the late 1980s, the collapse of Long-Term Capital Management in the late 1990s, and the dot-com bubble and the failure of Enron in the early 2000s. The approach outlined here argues that policy decisions in each case contributed to the discourse surrounding regulation, a discourse that could signal support for the dominant paradigm or suggest it was being challenged.

Beyond actual policy decisions, indicators for identifying the dominant paradigm can include the behaviour of news media, evidence of public opinion in the form of polls and studies, and a range of texts from different actors. To give a simple example, one of the most cited indicators of the dominance of an interventionist paradigm in the 1960s was a quote from the economist Milton Friedman in Time magazine, in which he said, “We are all Keynesians now” (Time 1965). Apart from the basic meaning of the message, one can point to at least three ways in which this comment exhibits strength as an indicator of the consensus that had been reached in favour of an interventionist paradigm. First, there was the status of the messenger: one of the country’s most prominent public intellectuals, who also happened to be a champion of non-interventionist principles. Second, there was the platform on which the message was delivered: the country’s most prominent current affairs magazine. Third, there was the currency that the message appeared to gain over time as it was repeated, cited and mythologised. It became what Dawkins (1989) termed a meme, in this case a way of talking about an ideological position that could be copied, reused or repurposed.[4]

[4] A popular YouTube video portraying Hayek and Keynes as feuding rappers includes the line, “So say it loud and say it proud, we’re all Keynesians now” (Emergent Order 2010). The “we are all” construction arguably has

One methodological challenge, then, is both to identify paradigmatic indicators within public discourse and to understand news media's role in the process of paradigm contestation. As part of this effort, the thesis views financial regulatory paradigms as constructs that orient towards opposing poles. It considers two broad types of generic paradigms: one oriented towards the promotion of freer financial markets, and one that is more interventionist and oriented towards state-imposed restrictions on market activity. Immediately, however, we are confronted with matters of definition. What do we mean by a pro-market orientation, or by interventionism, or even, for that matter, by the term paradigm? How, for instance, do paradigms differ from ideologies or relate to them? Extending these questions to the notion of the forces at play noted above, what kinds of forces are we talking about and how are they exercised? Are there specific actors incentivising certain other actors or acting as constraints? One thinks of agenda-building in terms of actions (by those who seek to build an agenda), but there also may be other forces that limit or influence the nature of discourse such as professional standards or codes of conduct. Such questions sit above specific methodological concerns about how content will be coded, measured or analysed, or about decisions and rationales concerning text samples. Here we are focused on understanding the underlying nature of regulatory discourse, of gaining clarity about what the coding eventually will refer to.

Paradigms, ideologies and the Overton Window

Kuhn, a science historian, offers a definition of natural science paradigms as "universally recognized scientific achievements that for a time provide model problems and solutions to a community of practitioners" (Kuhn 1970, p. viii). He says they share two characteristics. The first is that a new achievement has been sufficiently unprecedented as to attract adherents away from competing paradigms; the second is that it has been sufficiently open-ended to leave problems for practitioners to

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become a genre of meme, as used by Chomsky (2015) and Gant (2007). Memes in this sense make for interesting paradigmatic indicators because, by definition, they have shown themselves to resonate strongly with audiences.

resolve. “Paradigms gain their status because they are more successful than their competitors in solving a few problems that the group of practitioners has come to recognize as acute.” (Kuhn 1970, p. 23) As a result, they are generally successive, with a decision to reject one occurring simultaneously with the decision to accept another.

Implicit in these characteristics are two key concepts, both of which feature in discussion about paradigmatic change outside of natural sciences. The first regards consensus. The attraction of adherents from competing paradigms in the natural sciences that Kuhn describes was often both difficult and gradual. Such movement towards consensus comes about because of the second notion to which he alludes, the notion of progress. Kuhn, whose work was partly inspired by his contact with social scientists, had been struck by “the number and extent of the overt disagreements between social scientists about the nature of legitimate scientific problems and methods” (Kuhn 1970, p. viii). Eventually, he concludes that scientific progress is not different in kind from progress in other fields, but that the typical absence in natural sciences of competing schools that question aims and standards made progress of a normal-scientific community far easier to see.[5]

In the context of financial regulation, we can think of a paradigm as a means of considering and addressing problems and issues. As will be discussed in chapter two, this is how Hall, P. (1993) viewed the term when applying it to explorations of regulatory policymaking. Hall, P. characterised policy paradigms as frameworks of ideas and standards that specified “not only the goals of policy and the kind of instruments that can be used to attain them, but also the very nature of the problems they are meant to be addressing” (Hall, P. 1993, p. 279).

It is helpful at this juncture to consider how policy paradigms relate to the concept of ideology. Freeden (2003), after an inventory of how Mannheim, Gramsci and Althusser conceptualised the term, arrived at the following definition for ideology:

[5] The question of whether Kuhn’s ideas about paradigm shift can be extended outside of natural sciences is discussed in chapter two.

> A political ideology is a set of ideas, beliefs, opinions, and values that
> (1) exhibit a recurring pattern
> (2) are held by significant groups
> (3) compete over providing and controlling plans for public policy
> (4) do so with the aim of justifying, contesting or changing the social and political arrangements and processes of a political community. (Freeden 2003, p. 32)

He later modified the definition by suggesting ideologies are "complex combinations and clusters of political concepts in sustainable patterns" (Freeden 2003, p. 51) and then modified it once again to state that an ideology is "a wide-ranging structural arrangement that attributes *decontested* meanings to a range of mutually defining political concepts" (Freeden 2003, p. 54). In many ways, the initial definition of a political ideology overlaps with that of a paradigm, most notably with regards to the notion above of "providing and controlling plans for public policy". Furthermore, Freeden's definition, based on a synthesis of ideas from the thinkers he had surveyed, treats an ideology as part and parcel of discourse. He says ideologies compete over political language as well as plans for public policy, noting that the competition for the latter is conducted via the competition for the former.

In line with the definition above, I consider a paradigm to be a component of an ideology, one that operates along the same principles of that ideology, or helps to define those principles. This too fits with Freeden's definition. He argues:

> An ideology is like a set of modular units of furniture that can be assembled in many ways (though some ways of arranging them would be too ridiculous to contemplate). Through diverse arrangements of the furniture we can create very different rooms, even by using the same units. That is why identical political concepts can serve as the building blocks of an entire series of disparate ideologies, or the same unit (concept) may have a different role (or meaning) in two separate rooms (or ideologies). (Freeden 2003, p. 52)

A policy paradigm in this respect can be conceived of as a political concept that has been fleshed out and developed into a model or system. An ideology, then, is wider than a paradigm; it concerns a larger set of "ideas, beliefs, opinions, and values" than those that are addressed by a policy paradigm, which revolves around a more coherent set of problems. Freeden's observation accounts for how both market-oriented and interventionist paradigms can include some of the same principles, such as a rejection of laissez-faire economics (see Shearmur 1997).

One way to conceive of a policy paradigm with regard to public discourse is to make use of the so-called Overton Window, a tool that is based on the idea that public opinion plays a role in legitimising policy and policy proposals.[6] It was developed by Joseph P. Overton in the mid-1990s while he was an executive at the Mackinac Center for Public Policy (Russell 2006; Mackinac Center for Public Policy 2020). The Overton Window takes any policy issue and places all conceivable options along a spectrum, from one extreme to another. The extremes in the context of this thesis – and often in instances where the window has been employed – run from the state abandoning any role in policy to one where the state has absolute control. At the outer edges of the spectrum, options might be considered unthinkable. Further in, they might be deemed radical. As one moves towards the centre from either end, options may be thought of acceptable, sensible or ultimately popular. The concept holds that for a policy option to become viable, it needs to be within a range from acceptable to popular; if it is not, then public opinion needs to change until the option is within that window, a process that has become known as shifting the Overton Window.

Since the acceptance of a policy paradigm requires some form of consensus, the notion of the Overton Window can be used to consider whether such consensus has emerged. In that sense, since a policy paradigm is a system of viewing and addressing problems, the paradigm's prescribed solutions to those problems would need to fit within the Overton Window for the paradigm ever to be considered dominant. This still leaves open a number of problematic questions. How are the measures framed in public discourse? What measures are used to gauge public opinion about the options? How might ideological contestation or pluralistic consensus models play a role in limiting public debate? Nonetheless, conceptually the window illustrates how a policy decision could be at odds with a dominant policy paradigm, were politicians or government officials to pursue a policy that ran counter to what the majority of the public desired (however that public interest may have been determined).

[6] The notion that public consent is a legitimising force has been the subject of radical critiques concerning how that consent is arrived at and the functioning of public debate in a pluralistic system (see Hall, S. 1982). Questions about how matters of definitional power and ideological contestation can set boundaries for acceptability are discussed in chapter two.

Russell, in an essay that introduced the concept of the Overton Window, writes: "Politicians have the flexibility to make up their own minds, but negative consequences await the elected officeholder who strays too far." (Russell 2006)

It is in the context of the Overton Window that public salience becomes important. So long as regulatory policy has low salience, a paradigm devised and promoted by various elite actors – including politicians, officials, academics and think tank researchers – may become dominant without the Overton Window playing a significant role for the simple reason that most of the public is not focused on the underlying policy options. Nonetheless, the concept underpinning the Overton Window can play a role in allowing the paradigm to become dominant because of the relationship of a paradigm to an ideology. In other words, as long as one can connect an issue to an ideology, the Overton Window can come into play whether the issue has public salience or not. The dominance of the pre-crisis market-oriented paradigm could thus be tied to the political popularity of a neoliberal ideology. Put in more concrete terms, ordinary people often may not be focused on specific regulatory measures, but they can have strong ideological views about the position the state should take with regard to regulation.

1.2 Paradigm evolution

Although the thesis focuses on the United States, the paradigmatic debate at the centre of the discussion went beyond U.S. shores. Considering the economies of the United States and Britain, and taking the neoclassical economics of the late 19th century and early 20th century as a starting point, there appears to be general agreement among scholars that financial policy has been marked by three loosely defined and overarching paradigms leading up to the global financial crisis of 2008. The principles of these paradigms relate to both economic and systemic risk.

The first of these we can classify as a laissez-faire paradigm, which held to the principles of neo-classical economics and was based on an absolutist idea of market liberalism; it argued that competition without state intervention was the basis for wealth (Aikins 2009b).[7] A second paradigm called for strong state intervention to combat the destabilising effects of herd behaviour and, arguably, to introduce other factors into policymaking beyond those that only affect Homo economicus (Mill 1836). Based on a combination of economic progressivism and the ideas of Keynes, it began to dominate policy discussions in the mid-1930s and continued to do so until the 1970s (Chang 1997; Crouch 2009; Helleiner 1996). Finally, amid a series of international economic shocks in the 1970s, a paradigm took root that argued for reduced state intervention and increased reliance on market competition (Stiglitz 1993; Chang 1997; Crouch 2009). This third paradigm has sometimes been referred to as neoliberalism. In line with the definitions given in section 2.1, I classify neoliberalism as an ideology in that it concerns a wider set of concerns than the regulatory problems of this third paradigm.[8] Stiglitz and a number of others, describing this third paradigm, have also used the term "market fundamentalism", at times treating it as interchangeable with laissez-faire. I have also avoided this term as I perceive it to have taken on a pejorative connotation that as a result might make attempts to identify and describe patterns of media behaviour be seen here as normative.[9]

Looking at the first transitional period, the crash of 1929, the ensuing banking crisis and the onset of the Great Depression set the scene for the adoption of the policy paradigm often referred to as Keynesianism. Canova (2009) notes that laissez-faire capitalism was still the prevailing orthodoxy in both law and economics between the time of the 1929 crash and the banking crisis of 1933. "Financial

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[7] Aikins notes that western nations in the early decades of the 20th century did flirt with progressive interventionist policies, though it was not until the post-1929 crash environment that Keynes's ideas began to take hold.

[8] In the same way that a market-oriented paradigm for regulation can be viewed as a component of a neoliberal ideology, an interventionist paradigm can be viewed as a component of a progressivist ideology.

[9] Market fundamentalism has been used by economists such as Krugman and Stiglitz as a pejorative term; similarly, neoliberalism has acquired a pejorative tone (see, for example, activist journalist George Monbiot). This is not to say that the negative connotations attached to the terms are universally endorsed. Schwartz (2013) writes in praise of neoliberalism as he seeks to put its ideals in the context of a long tradition of political economy liberalism.

markets were largely unregulated and unsupervised, and it was not seen as the responsibility of government to stimulate economic activity, even in a recession." (Canova 2009, p. 371). The year 1933 was also when Keynes published *The Means to Prosperity* as a policy remedy for the economic ills afflicting the developed world; his biographer, the economic historian Skidelsky, wrote of how copies of the work were sent to world leaders and were taken seriously by governments in Britain and the United States, although it would be his book *The General Theory of Employment, Interest and Money* three years later that most forcefully rejected neoclassical economics and paved the way for the Keynesian paradigm to gain widespread acceptance (Skidelsky 2003).

That acceptance was exemplified clearly in two major political achievements of the time. The first was the New Deal of the Roosevelt administration in the United States. It recognised a widespread view that an unregulated free market guided purely by private interest could lead only to the dispossession seen during the Depression: "The Roosevelt administration responded to this popular perception by offering the countervailing power of government, administered by disinterested expert regulators, in order to discipline the market and stabilise an economy that laissez faire had all but destroyed." (Glinavos 2010, p. 4) Blinder (2008) describes one of the ideas underpinning the Keynesian belief in state action to stabilise the economy as the notion that the government is capable of improving on the free market. For instance, Keynes called for state fiscal policy to be used to counterbalance the effects of boom and bust, treating state spending as a spigot that could run hot or cold as needs be. Many of the ideas underpinning this approach are presented in *The General Theory of Employment, Interest and Money*, where Keynes sought to refute central arguments of classical economics while taking into account a linkage between market activity and the economy. As an example of what Blinder described, Keynes wrote: "In conditions of laissez-faire the avoidance of wide fluctuations in employment may, therefore, prove impossible without a far-reaching change in the psychology of investment markets such as there is no reason to expect. I conclude that the duty of ordering the current volume of investment cannot safely be left in private hands." (Keynes 1936, p. 200)

That observation concerned economic management, but Keynes was also focused on systemic risk. Keynes called for down payment requirements for lending, including for corporate securities purchases: “Keynes viewed such margin requirements as important means to limit systematic risk and protect financial institutions from any downward change in the money value of assets by limiting the amount of credit allocated to marginal borrowers.” (Canova 2009, p. 372) His ideas later formed the basis of a hypothesis by Minsky (1992), which suggests capitalist economic systems can amplify economic movements. The Keynes-Minsky financial market theory features in a number of post-2008 diagnoses (see McCulley 2009; Sen 2010; Crotty 2011).

Among the most notable features of this period was the Glass-Steagall Act, a legislative measure which required commercial banks and insurance companies to be kept separate from investment banking. This was in response to the view in Congress that banks had helped promote unsustainable booms in the real estate and securities markets. That view would become prevalent once again some 75 years after the act passed. A second important example of the paradigm’s acceptance could be seen in the 1944 Bretton Woods summit, which Helleiner called a constitution for the international financial system. Delegates at the summit outlined an “embedded liberal” vision which sought to reconcile an open multilateral financial system with the more interventionist economic practices adopted as a result of the Great Depression (Helleiner 1996, p. 50). Chang called the quarter-century after the Second World War the “age of regulation” as nations increasingly pursued activist macroeconomic policies (Chang 1997, p. 704).

As noted in Hall, P.’s study, Keynesianism remained a dominant policy paradigm into the 1970s. But a process of paradigm contestation had actually begun decades earlier. While the developed world’s post-World War II economy was consistently strong throughout the 1950s and 1960s, the idea of an alternative to interventionism had been germinating since at least 1947 with the formation of the Mont Pèlerin Society, a group of thinkers led by Hayek and including Friedman. Although Butler states in a history of the society that it had no official views or policies (Butler n.d.), many of its most prominent members rejected the idea of strong state interventionism and generally called for a new type of liberal economic and financial policymaking approach. The paradigm that evolved from their ideas has at times been equated – both in scholarship and in the media – with laissez-faire capitalism. But the society's founders were neither primarily libertarian nor intractably anti-regulatory. For instance, the statement of aims that was issued after the society's initial meeting mooted the "possibility of establishing minimum standards by means not inimical to initiative and function of the market" (The Mont Pèlerin Society 2020). This echoed an observation by Hayek, who wrote in *The Road to Serfdom*: "The successful use of competition does not preclude some types of government interference…. Planning and competition can be combined only by planning *for* competition, not by planning *against* competition. The planning against which all our criticism is directed is solely the planning against competition" (Hayek 1945, p. 46).

This third paradigm argued for a minimalist role of the state that would limit itself to regulation designed to reinforce the integrity of the market and market mechanisms (Peck 2008). Kuhn's theory requires that new paradigms build on accumulated evidence, a view that accords with the aims of Hayek, Friedman and others in the Mont Pèlerin Society as they sought to promote a market-based paradigm that addressed some of the deficiencies of 19th century neoclassical economics. "There was a shared recognition that the maintenance of a competitive market system required certain state powers, though there was a disagreement about how these should be restrained." (Peck 2008, pp. 14-15) Concurrent with an oil price shock and an international debt crisis in the 1970s, the ideas of Hayek and Friedman gained traction.[10] Guardino and Snyder (2012) wrote of how they both advocated an anti-statist system which designated the market as the guarantor of individual freedom: "Although the neoliberals were marginalized in elite policy circles through the 1950s and 1960s, the economic crises of the 1970s opened a window for their ascendance." (Guardino and Snyder 2012, p. 528).

[10] Evidence of this ascendency can be seen, among other things, in the awarding of the Nobel prize for economics to Hayek in 1974 and to Friedman in 1976.

Efforts to take advantage of that window can be seen in a public campaign by Friedman. In 1980, he launched a book and 10-part television series called "Free to Choose: A Personal Statement". He had won the Nobel prize for economics four years earlier and had been contributing articles to *Newsweek*, the *Wall Street Journal* and the *New York Times* since the 1960s. In becoming a television figure, Friedman was widening his audience further as he sought to promote his views on the benefits of a market-oriented approach to policy and to highlight the problems with state interventionism. In an interview to promote the series, Friedman explained:

> … I feel so strongly that America is at a critical point in its history. For the past 50 years, we have been moving away from the fundamental principles that made this great country, the fundamental principles of freedom – economic, political – of relying on the individual, of keeping government in its place, of keeping government to be as an umpire. (Free to Choose Network 2012)

According to a not-for-profit organisation devoted to advancing Friedman's ideas, nearly 20 million Americans watched at least some part of the series (Free to Choose Network 2012).

By the 1980s, the neoliberal ideology and the market-oriented regulatory paradigm it featured, championed by political leaders such as Reagan and Thatcher, were ushering in a range of reforms from the deregulation of business and the privatisation of public services to wide-ranging tax cuts, as well as the institutionalisation of a global free trade regime (Guardino and Snyder 2012). Reagan, in his first inaugural address, spoke about the economic malaise of the day and famously said: "In this present crisis, government is not the solution to our problem, government is the problem." (Reagan 1981) This ideological viewpoint, Guardino and Snyder said, would define U.S. political economy for the next 30-plus years. Similarly, Crouch argues that the priority of competition, the predominance of a shareholder maximisation model, the deregulation of markets and the liberalisation of global capital flows had all become orthodoxy within about a decade of the 1970s (see also Borio and White 2003; Canova 2009; Glinavos 2010; Guardino and Snyder 2012).

Just as major crises in the 1930s and 1970s called into question central aspects of the then-dominant regulatory paradigms, the 2008 crisis called into question a central tenet of the market-oriented paradigm that had featured within the neoliberal ideology. This tenet was the idea that the market, underpinned by self-interest, was self-regulating. Former Federal Reserve Chairman Alan Greenspan had long been one of the most forceful advocates of neoliberal ideas in his dealings with politicians, fellow regulators and the news media. On 23 October 2008, at the height of the crisis, he explicitly acknowledged that the financial industry's self-regulating capabilities had failed. "Those of us who have looked to the self-interest of lending institutions to protect shareholders' equity, myself included, are in a state of shocked disbelief," Greenspan told a Congressional panel (Andrews 2008), a remark that attracted considerable attention as it came from a man who had been widely admired in the financial industry, the media and political and regulatory circles for much of the time since his appointment as the governor of the Federal Reserve in 1987.

1.3 Post-crisis policy and public attitudes about regulation

In charting this evolution of paradigms, scholars have noted a sine curve trend, one that shows regulatory approaches shifting from minimal state oversight to greater state oversight and then back to low state oversight (see Skidelsky 2010; Coffee 2013). Such a framework has its limitations in that it treats paradigms in binary terms; however, it has the benefit of helping to conceptualise periods of paradigm shift by focusing on a paradigm's ideological orientation.[11] In other words, if we accept the proposition that a sine curve pattern has been established, what matters first and foremost is what direction the curve is moving in with respect to greater or lesser state oversight and whether the curve may be changing direction. After the 2008 crisis, there was debate as to whether a new paradigm would be adopted, one that turned away from the primacy of free markets in favour of

[11] As will be discussed in chapter three, such reductionism becomes necessary for the positivist methodological approach I have chosen for content analysis. This is not to say that there cannot be elements of interventionism within a market-oriented paradigm, or market-oriented elements within an interventionist paradigm. Appendix 1 includes examples within the Dodd-Frank Act, for instance, where market-oriented ideas govern the regulatory approach that was adopted. See Title I, 165d; Title XII and Title XIII.

interventionism. Underlying this debate were questions as to how wedded various actors, including the public, were to certain economic principles that had guided thinking since at least the 1980s.

In November 2008, just after a general election, President-elect Barack Obama's choice for chief of staff, Rahm Emanuel, paraphrased Winston Churchill when he told an interviewer: "You never want a serious crisis to go to waste, and what I mean by that is an opportunity to do things that you think you could not do before." (Wall Street Journal CEO Council 2008) Underlying this statement is the idea that a major crisis can usher in paradigmatic change. Emanuel in fact explained his view by referencing the previous period of paradigmatic change in the 1970s. Nonetheless, it became clear early on after the crisis that there was substantial resistance to a radical shift towards the idea of more stringent oversight of the financial industry. Glinavos noted how the private sector opposed more drastic regulatory change, persuading governments from abandoning "the market liberalising imperatives of the last two decades" (Glinavos 2009, p. 10). He cited the way that governments avoided nationalisation. "The desire of the governments of the developed world to resist nationalisation, even when large financial institutions failed spectacularly and had to be rescued with public money, suggests that the trend towards private sector solutions is not seriously undermined by the rhetorical embrace of better regulation." (Glinavos 2009, p. 10) This is not to say that a failure to take a radical approach means the existing paradigm will automatically survive. Schlesinger (1958), for instance, noted how Roosevelt resisted the temptation to nationalise banks and chose to work with the system he inherited. At the same time, Roosevelt also introduced a number of New Deal measures that became emblematic of the interventionist paradigm. All of this underlines the point made earlier that paradigm shift, or paradigm maintenance, involves discourse as well as policy measures.

What evidence might we consider in seeking to characterise discourse surrounding regulatory policy in the period immediately after the crisis? To form an initial paradigmatic snapshot, I considered three types of indicators. In line with the earlier discussion about viewing policy measures themselves as indicators of discourse, the first of these was the Dodd-Frank Act itself. What did the act's provisions and passage say about attitudes towards post-crisis regulation? A second indicator was the political reaction to post-crisis policymaking. For this, we can consider the rise of the Tea Party in the United States. The Tea Party has attracted extensive academic attention; I will limit my discussion to a pair of studies illustrating the strength and impact of its anti-statist messages. Finally, I will discuss public polling data which pointed to the public reaction to the regulatory response, while putting it in the context of historical attitudes in the United States about regulation.

The Dodd-Frank Act

In June 2009, the Obama administration began the formal legislative process to re-regulate financial activity in the United States. Economic historians have described the preceding three decades as ones that were characterised mostly by deregulatory measures, punctuated by a few exceptions after events such as the Savings and Loans crisis in the 1980s and 1990s (the Financial Institutions Reform, Recovery and Enforcement Act of 1989), and the Enron scandal in the early 2000s (the Sarbanes-Oxley Act of 2002). Senate Banking Committee Chairman Christopher Dodd and House Financial Services Committee Chairman Barney Frank were tasked with drafting and shepherding the legislation. In July 2010, after more than a year of legislative debate, the Dodd-Frank Wall Street Reform and Consumer Protection Act became law (111th Congress 2010). "The Act is widely described as the most ambitious and far-reaching overhaul of financial regulation since the 1930s." (Acharya et al. 2010, p. 1) The law's proponents framed it as an effort to reintroduce control over a marketplace they believed had become dangerous and destructive. Critics argued that it was intrusive and overly burdensome, that it failed to address key causes of the crisis and that it would lead to job losses, lack of competitiveness and reduced economic growth, among other problems.

By almost any measure, Dodd-Frank could be considered a more interventionist policy initiative than any U.S. regulatory development of the past several decades. Its scope was far broader than regulatory measures such as the Savings and Loans regulation or Sarbanes-Oxley. It targeted a wide range of activities, from the ways that major institutions operate in global financial markets to the obligations of retail-oriented firms in dealing with ordinary members of the public. It created a new body for overseeing financial and non-financial institutions, mandated the consolidation of regulatory agencies, introduced a new bureau to provide and enforce consumer protections and created tools that would allow the government to wind down firms that it believed posed a systemic threat. A summary of some of the main regulatory changes the act made is provided in Appendix 1.

But a question remained for many commentators as to whether Dodd-Frank featured fundamental changes. *Rolling Stone* magazine is not known for wading into matters such as financial regulation, but such was the impact the crisis had on society that the publication featured an in-depth critical article on what its author, Taibbi (2012), considered the toothless nature of the law. The article argued not only that banks had managed to defang Dodd-Frank but also that they were aided and abetted by the political establishment. A large part of Taibbi's argument rested on the way that Dodd-Frank addressed the question of banks that were "too big to fail", an issue that is considered in detail in chapter seven.

The size of Dodd-Frank (some 2,300 pages) and the number of rules it produced (more than 400) were testimony to its breadth and scale. As such, the law's size became a potent symbol for Dodd-Frank's opponents of the idea of regulatory overreach. The paradigmatic element of debate surrounding Dodd-Frank thus was established at the outset of the legislative process. From the time it became law, senior Republican lawmakers such as Spencer Bachus and Jeb Hensarling, who succeeded Frank as the next two chairmen of the House Financial Services Committee, weaponised the law's page length by repeatedly referring to it in statements and Congressional hearings. A Nexis search that combines their names, the figure "2,300" and the term "Dodd-Frank" between July 2010 and June 2018 showed 220 occasions where those terms featured together.[12] Dodd-Frank was more

[12] Under Hensarling, the Congressional committee's website as of June 2018 included a section called "The Failures of Dodd-Frank". It noted the page figure, said the act enshrined the notion of financial firms being "too big to fail", and argued that rising banking fees were due to the law. In 2018 Congressional elections, Democrats took control of the House of Representatives and the committee's website was redesigned, omitting all of those references.

than 60 times as large as the last piece of such sweeping financial legislation, the 37-page Glass-Steagall Act from the Roosevelt era. Dodd himself, as he was preparing to retire following passage of the law, acknowledged the discrepancy in page length, but he said markets were far more complex and interconnected than anything Senator Carter Glass and Representative Henry B. Steagall had faced (Dodd 2010).

Table 1.1

Timeline: Passage of Dodd-Frank and related major political events

- **17 June 2009** – Obama outlines legislative goals to reform financial system (White House Office of the Press Secretary 2009)
- **17 September 2009** – Financial Crisis Inquiry Commission begins hearings on the causes of the global financial crisis (Financial Crisis Inquiry Commission 2009)
- **11 December 2009** – U.S. House of Representatives approves reform legislation with no Republican support (U.S. House 2009)
- **20 May 2010** – U.S. Senate approves reform, with four Republicans voting in favour (United States Senate 2010)
- **21 July 2010** – Obama signs Dodd-Frank Act (The White House 2020)
- **2 November 2010** – GOP regains House of Representatives in worst midterm for a new president since 1922 (Ceaser 2010)
- **January 2011** – Financial Crisis Inquiry Report published (Financial Crisis Inquiry Commission 2011)
- **November 2012** – Obama re-elected (Federal Elections 2012)

Reaction to Dodd-Frank and the rise of the Tea Party

Within four months of the passage of Dodd-Frank, the United States held mid-term elections. As noted in the milestones in Table 1.1 above, Democrats, who had championed and secured passage of Dodd-Frank, suffered historic losses. Numerous studies concluded that a critical factor in the electoral rebuke of the Obama administration and of the Democratic Party was a wave of anti-government sentiment led by the Tea Party.

Formisano (2012) describes the Tea Party as “an umbrella that covers a loose confederation of grassroots groups as well as the corporate-funded offices of dedicated organizers” (Formisano 2012, p. 2). Its central complaints were federal government spending, rising government debt and the increasing size of government, with Formisano citing one Gallup poll that found that 61% of members viewed the federal debt as the country’s most serious threat and that they treated the size and power of the federal government as a threat nearly as great as terrorism.

In addition to its initial electoral successes, the Tea Party had a role in pushing the Republican Party further to the right and increasing the adoption of radical anti-government stances by its candidates. Medzihorsky, Levente and Jenne (2014) analysed ideological positions taken by candidates in the 2008 and 2012 general elections and found that the ideological positions had moved sharply to the right as they embraced the anti-Washington positions of the Tea Party.

Gauging the public mood

As noted earlier, the Overton Window allows us to consider policy paradigms from the perspective of the public, and specifically in terms of indicators of the public’s views.[13] The public, in this sense, represents an important actor group in terms of the notion of consensus, as required for the acceptance of a paradigm. In looking for evidence of the public’s views on the question of regulatory policy, one source of information is thus public polling data. Public polling data, however, is subject to critiques as an indicator of public opinion, itself a vexing term for thinkers from Lippmann to Dewey to Bourdieu. In particular, public polling data may be considered unreliable due to the way that questions may be presented in such a way as to influence answers (Splichal 1999; Bishop 2005). Nonetheless, if one is to entertain the idea that consensus matters for the establishment of a paradigm, and that by extension the Overton Window matters as well, then some consideration of polling data may be

[13] The Overton Window, as a tool, is designed for considering policy formation within a liberal pluralist framework. As will be discussed in the next chapter, there are alternative ways of considering the political system, notably the more liberal realist accounts offered by thinkers such as Lippmann.

warranted while still acknowledging such critiques. Furthermore, such data may provide a useful indicator not only because of what they potentially indicate directly, but also because of their potential to influence other actor groups, namely politicians. A researcher may or may not believe in the validity of a polling claim about public attitudes, but so long as politicians are focused on the claim, it becomes salient in an agenda-building context.

Polling evidence suggests Dodd-Frank initially was not unfavourably received by the public, but that long-held views about negative economic consequences from regulation reasserted themselves once the shock and immediate pain from the financial crisis began to wear off. Aldrich et al. (2013), in a study on how people apportioned blame in the post-crisis period, analysed data from the 2010 Cooperative Congressional Election Study (CCES)[14]. They found that two-thirds of respondents supported the financial regulation legislation, although only 41% of Tea Party members polled did.

Other public polling data showed more public dissatisfaction with the legislation. Pew Research Center in May 2010, as Dodd-Frank was crossing its final legislative hurdles, asked respondents whether they were worried that that government would go too far with financial regulation such that it would make it harder for the economy to grow, or whether the government would not go far enough such that it would leave the economy at risk of another crisis. The survey found 45% identified with the “too far” statement, and 47% with the “not far enough” statement; since then, versions of the question were asked at least three more times, with slightly increased support for the “not far enough” view but never exceeding 50% (Bowman, 2015).

Taken at face value, the data suggest the U.S. public appeared to have had deep-seated feelings about regulation which only temporarily were affected by the effects of the financial crisis. In a separate series of questions on attitudes to regulation, Pew Research Center asked whether government

[14] The CCES was created via a consortium of 39 universities. It produced large-scale surveys of the population and a series of 1,000-person studies focused on particular research questions.

regulation of business was necessary to protect the public or would do more harm than good. In October 2008, after the collapse of Lehman, 50% said it was necessary and 38% thought it would do more harm than good (Pew Research Center 2012). By February 2012, those who saw it as necessary for protection had fallen to 40% and those who saw it doing more harm than good had risen to 52%, in line with pre-crisis levels and representing a sharp turnaround in public opinion while many of the effects of the crisis were still being felt. Gallup surveys pointed to an even stronger vein of anti-regulatory sentiment, with Figure 1.1 showing worries about too much regulation growing substantially just before and after the passage of Dodd-Frank (Gallup 2020).

Figure 1.1 Time series of Gallup question on regulation

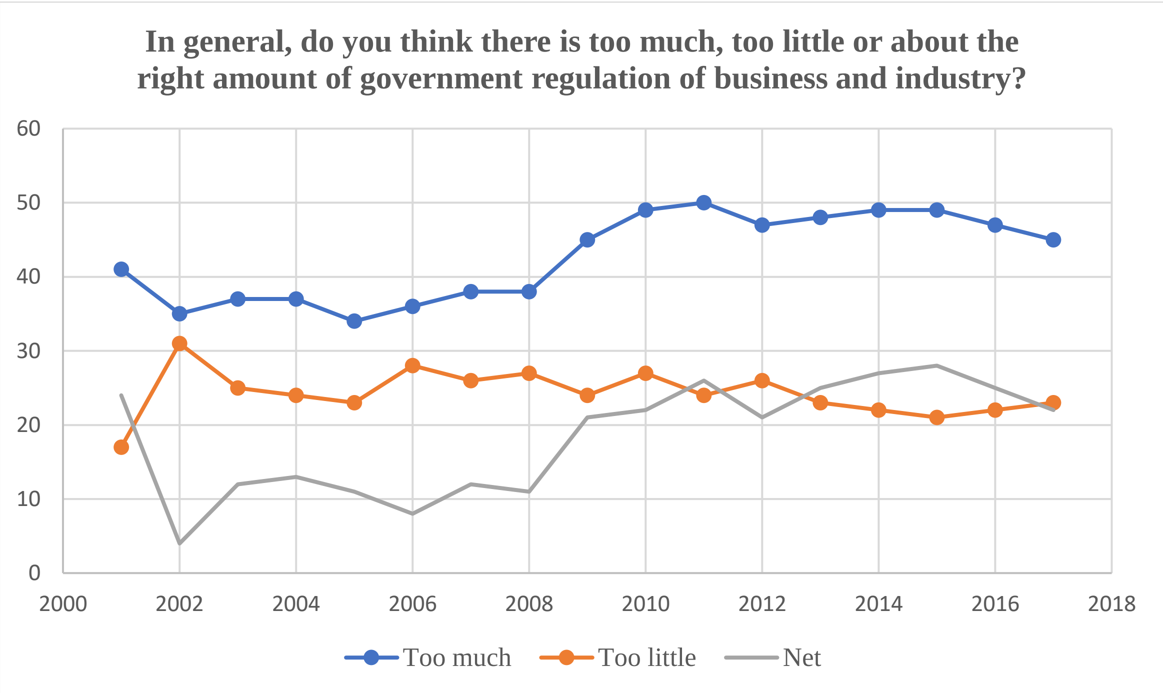

Figure 1.1 is derived from Gallup polling data. It shows the percentage of respondents over time who thought there was "too much" or "too little" government regulation of business and industry. The grey line indicates the gap in percentage points between those was answered "too much" and those who said "too little". The convergence of views seen in 2002 coincided with the collapse of Enron and the bursting of the dot-com bubble.

Earlier, it was suggested that the concept behind the Overton Window could apply even in instances where issues had low salience, so long as the issue could be connected to a broader ideology. Such was the case with financial regulation before the crisis. The idea here, based on the relationship between paradigms and ideologies outlined earlier, is that the public's sense of what is radical, acceptable or desirable could be based on general ideological principles rather than specific regulatory options. In that light, Figure 1.1 suggests that the residual strength of the neoliberal ideology with the public was such that the prospect for paradigm shift was greatly reduced despite the events of 2008.

A separate running Gallup poll, which began in the 1960s, has focused on what people have seen as the biggest threat to the country, giving responders the options of "big government", "big business", "big labor", and "no opinion". Time series data from that question paint an even starker picture of the degree to which anti-statist sentiment grew over the years in the United States, even after the crisis. In 2002, 47% of poll responders saw the top threat as big government, 38% saw it as big business, 10% chose big labour and 5% expressed no opinion; by 2013, the percentage of people most worried about big government had jumped to a record high 72%, with 21% most worried about big business, 5% about big labour and 2% having no opinion (Gallup 2013).

The financial crisis represented a potentially pivotal moment in terms of the history of dominant regulatory paradigms. The state responded to the crisis with a major policy initiative in the form of Dodd-Frank, an act based on interventionist principles but one that also stopped short of radical measures. The new law was not, in itself, initially unpopular, suggesting that state-led efforts to engineer paradigm shift had the potential to gain traction. But a political movement based on an anti-statist ideology, one with both grassroots and corporate support, met with remarkable success. The movement not only notched up political victories but also appeared to succeed in shifting the national political discourse, leading candidates in a major political party to move sharply rightward. Public polling during this period showed attitudes about business regulation either remained hostile immediately after the crisis or soon returned to pre-crisis levels of hostility. Taken together, the discrepancies among the indicators suggest that a strong consensus for paradigm shift did not form, despite the severity of the crisis. This suggestion is all the more notable given the anomaly that the crisis represented with regards to the market-oriented paradigm that dominated in the run-up to 2008.

All of this prompts questions as to the behaviour of news media when writing about financial regulation, both before and after the crisis. The next chapter will review pre- and post-crisis literature on financial journalism in the context of the crisis and relevant theoretical literature for such a discussion.

As suggested earlier, interventionist policy measures, such as those contained in Dodd-Frank, do not automatically signal the embrace of an interventionist policy paradigm. The argument that the dominance of the pre-crisis paradigm had continued, despite the effects of the crisis, is bolstered by initial evidence of a public discourse that was marked by widespread resistance to the principles of interventionism. That resistance can be seen in both the rise of the Tea Party and the results of public polling on regulation. But while the passage of new legislation, the rise of a political movement and the evidence from public polling are all important discourse indicators, there are others. These include the positions taken by a range of political actors, independent elites (academics and think tank figures), public campaigners, regulatory officials, and of course the news media. Those positions, which can be gleaned from the ways actors framed regulatory discussion, ultimately helped to build narratives about what caused the crisis, the moral dimensions of the regulatory debate and the consequences that would result from one policy approach or another. Narrative, this thesis argues, is one of the principal means by which a paradigm is reinforced or contested within public discourse. By illustrating, explaining or endorsing certain paradigmatic principles, often in such a way that complex issues can be made understandable to a wide audience, a narrative has the potential to validate the paradigm that is supported by those principles.

Chapter 2

Literature Review

An early concept in media scholarship is the idea that reality is often a mediated construction, typified by Lippmann's discussion of "the world outside and the pictures in our heads" (Lippmann 1922, p. 3). The theoretical origins of the notion of individualised, malleable realities can be traced to initial theories of phenomenology, which eventually were developed by Berger and Luckmann (1966) into a formal system for understanding how reality was constructed socially. They distinguished between notions of objective and subjective realities, just as Lippmann implicitly did by juxtaposing "the world outside" with mental pictures. In doing so, Berger and Luckmann focused on intersubjectivity as a means by which the boundaries of each person's reality were formed. That intersubjectivity generally takes the form of social discourses which result in "a continuum of typifications" (Berger and Luckmann 1966, p. 47), from direct experiences to anonymous abstractions; these fill the world with objectivations that build what they call a social stock of knowledge. In the context of this thesis, it should be noted that Berger and Luckmann received criticism for placing too much emphasis on face-to-face communication and not enough on mediated communication (see van den Bulck 1999). Nonetheless, their ideas provided a foundation for scholarship that sought to explore news media's part in an agenda-building process, in particular via news narratives.

One reason social constructionism plays such a central role in agenda-building research is its ideological component. One's reality involves more than the physical world; it includes the "ideas, beliefs, opinions and values" that Fredeen included in his definition of an ideology (Freeden 2003, p.

32). As Allen (2005) put it, social constructionists "contend that humans derive knowledge of the world from larger social discourses, which can vary across time and place, and which often represent and reinforce dominant belief systems" (Allen 2005, p. 35). Berger and Luckmann say that what is real to a Tibetan monk may not be to an American businessman. Thus, when looking specifically at the financial crisis of 2008, a social constructionist reading helps account for how wildly different understandings of the financial crisis could emerge in its aftermath. Lo (2012), in a review of 21 books about the crisis, wrote of how the works' authors had painted a stunningly diverse set of pictures as to what had just happened: "No single narrative emerges from this broad and often contradictory collection of interpretations." (Lo 2012, p. 151). The differing perspectives underlined the degree to which consensus on virtually anything, including basic facts, was lacking in the initial post-crisis period. Whether one was a Tibetan monk, an American businessman or any of the authors Lo had surveyed, the reality of the crisis was bound to differ, potentially in significant ways.

The authors in the case of Lo's review were a mix of academics, journalists and one former top policy maker. The narratives they offered formed part of a broad battle of narratives within the public sphere[15], each of which could be used as ammunition by different actors to make the case for or against different approaches to regulatory reform. The contestation of regulatory policy, in finance or in other areas, may involve not only the types of actors whom Lo reviewed, but also a range of others, including members of interest groups and the corporate sector. Such efforts are typically referred to as agenda-building and they often focus on attempts to influence news media. Elder and Cobb describe agenda-building as "the process through which problems or issues come to command the active and serious attention of government as prospective matters of public policy" (Elder and Cobb 1984, p. 115). The significance of this process, they say, arises from two facts. The first is the limited attention capabilities of government; there are always more matters vying for attention than can be considered. The second is that policy problems are not givens but are matters of definition.

[15] In the normative conception of the public sphere offered by Habermas (1991), audiences would have unhindered access to these narratives, without corrupting forces privileging one or more narratives over the others. Habermas argued that the sphere had become "refeudalised", which prevented such an ideal space from emerging.

That second observation explains why agenda-building researchers gravitated towards social constructionism as a theoretical foundation. The capacity of news media to help shape people's different senses of reality has long been recognised as a motivating factor for actors in both the public and private sectors, as well as the public relations industry and other institutions that those actors enlist to influence news media behaviour. By way of one prominent example, this capacity underpins the development by Herman and Chomsky (1988) of their propaganda model. Lippmann more than 60 years earlier had argued that given the world's complexity and what he saw as people's lack of ability to comprehend issues fully, leaders should seek to "manufacture consent" (Lippmann 1922, p. 248); Herman and Chomsky set out to show how powerful interests were following through on Lippmann's advice. While their analysis has been the subject of sharp debate, the model is predicated on aspects of both news media's reality-shaping power and its susceptibility to influence. But Herman and Chomsky were hardly unique. As Corner (2003) notes, from a theoretical perspective, much of European media enquiry since the 1960s was preoccupied with assessing state and market dynamics to understand "their sway within institutions and processes of mediation" as well as the possibilities for change (Corner 2003, p. 369). He lists Adorno, Enzenzberger, Gramsci, Althusser, Habermas and Bourdieu as all having engaged with the idea that media are economically and socially constrained agencies, often against the interests of democracy. The proposition – offered most forcefully in radical functionalist critiques of the news media and its role in democratic systems, but often still contained in liberal pluralist accounts – is that success in getting news media to shape people's realities in certain ways ultimately could result in "consent" for the agendas of powerful interests.

My examination of the role of news media narratives in supporting a post-crisis regulatory paradigm involves consideration of four strands of literature. The first of these focuses on the parallel processes of agenda-building and paradigm contestation and how they operate. A second strand considers political economy literature in terms of the role of news media, looking more broadly at the implications of such agenda-building and paradigm contestation. Given the subject matter of this thesis, particular focus in this regard is devoted to the role of crisis and its relationship to cultural hegemony. A third strand consists of scholarship regarding some of the tools and methods for understanding media behaviour, including concepts such as framing and narrative. Finally, there is the question of what research has been conducted to date that looks specifically at journalism in the context of regulation and the financial crisis. Together, these four strands can contextualise the subject of this thesis and give more precise shape to the questions it poses.

2.1 Agenda-building and paradigm contestation

Using Elder and Cobb's definition of agenda-building, we can see that news media plays a central role because it is often the route by which problems or issues come to command the government's attention or get defined broadly in the public mind. This takes place primarily as a result of the media's own agenda-setting function (McCombs and Shaw 1972; McCombs 2005; Rogers and Dearing 1988; Berkowitz 1992). A model which McCombs and Shaw developed in the early 1970s, one that compares the scale of news coverage of an issue with public salience, gave rise to hundreds of agenda-setting studies. The strength of the statistical evidence that McCombs and Shaw provided was somewhat novel in media scholarship at the time, but the concept on which their model was based was anything but. The power of the press in terms of its relationship with public opinion had been well understood by governments and ruling elites since the earliest days of journalism. One can see this as far back as the early 18th century, when Britain introduced a stamp tax as a means of controlling a nascent mass-circulation newspaper industry. "Throughout the early eighteenth century, it was the view of Whig and Tory governments alike that an unbridled press represented a constant and considerable threat to political stability and order." (Hyland 1986, p. 863).

Actors engaged in agenda-building typically form coalitions that operate in what Sabatier and Jenkins-Smith called the advocacy coalition framework (Sabatier 1998). The advocacy coalition framework, one of several frameworks that aim to simplify and allow analysis of the policy process, is helpful for considering agenda-building because 1) it is focused on actor groups, as opposed to other frameworks that focus on institutions or stages of policy change, and 2) it is designed to address what Sabatier and Jenkins-Smith classify as "wicked problems", i.e. those where there are substantial goal conflicts and/or where matters of perception are emphasised over science and empirical data. McBeth et al. (2007), whose work relies on a social constructionist framework, suggest that narrative policy analysis[16] can be used to view the ways that advocacy coalitions function and seek to advance their policy preferences. Policy change theory, they say, is underpinned by contestation among people's differing belief systems. In this regard, the propensity of news media to create narratives (Johnson-Cartee 2005) takes on extra significance because they can form a link between broader ideological concerns and the narrower policy changes that coalitions wish to pursue.

The advocacy coalition framework is one example of research into policy agenda-building that focuses on the ways interest groups interact with the state, news media and the public. May (1991) writes of how multiple publics, in their efforts to dominate the processes of problem definition and policy formation, may have differing belief systems. Alignment of beliefs thus becomes the central task for the state, or any other group that wants to achieve policy change: "The ability to arrive at a stable consensus over problems or appropriate actions is undermined by the existence of strongly held, opposing 'core beliefs' by relevant publics and those political actors they influence" (May 1991, pp. 192-193).

When enlisting the news media in efforts to achieve alignment of beliefs, actors will seek to shape news coverage in multiple ways. Berkowitz (1992) explained how journalists' professional emphasis on the need for objectivity and balanced coverage could lead to enhanced influence by news sources. Journalists gather news by casting a "news net" (Tuchman 1978) and hauling it in to decide what "fish" will constitute news (Berkowitz 1992). But often the fish – including either state elites or

[16] The concept of what constitutes a media narrative is discussed in section 2.3 of this chapter and with specific regard for regulatory policy paradigms in section 3.2 of the next chapter.

private interests – will include those who have intentionally jumped into the net with the hope of being featured by news media to advance their views. There may thus be a skew in the sources that feature on any given news issue. The “status conferral” function of the media (Lazarsfeld and Merton 1948) virtually guarantees that fish of all varieties will attempt to jump into the net. Having been caught, the sources of news can employ techniques such as framing to attempt to shape the way news, or at least a given issue, is presented. Those techniques will be discussed in more detail in section 2.3.

Parallel processes

The social dimension to the process of agenda-building bears a strong resemblance to the process of paradigm contestation as described by Kuhn (1970). At the same time, while agenda-building may traditionally be thought of in terms of efforts to promote specific measures, it also can be thought of in terms of the promotion of a policy paradigm. To consider both of these propositions, it is useful first to discuss Kuhn’s theory broadly in terms of its applicability outside of natural sciences, and specifically in terms of viewing paradigms for financial and economic policy.

There has been debate as to whether Kuhn’s theory should be applied to socio-political and economic affairs. Dogan (1996), for instance, argues a paradigm occurs “only when one testable theory alone dominates all other theories and is accepted by the entire scientific community”, a situation which he says does not take place in the social sciences (Dogan 1996, p. 299). Nonetheless, Hall, P. (1993) and researchers in social sciences and other disciplines have drawn on Kuhn’s work and applied it to instances when there appears to be a shift in consensus about how to consider problems or issues. For instance, Pearce (1995) uses Kuhn to consider professionalism in the legal field. McNair (2003) sees the usage of scientific methods in a discipline such as sociology as part of a desire for validation: “A striving for intellectual legitimacy in a culture which elevates ‘science’ above other discourses of knowledge, as well as a genuine belief that the social world can be known with as much certainty and accuracy as the world of particles and molecules, has driven sociology since the 19th century”

(McNair 2003, p. 553). Scholars who use Kuhn's theory, in this sense, are not necessarily arguing that social sciences be equated with natural sciences. Rather, they are making use of aspects such as how anomalies are accounted for (or not) at a paradigmatic level.

A feature of Kuhn's work that makes it valuable across disciplines is his discussion of the process by which paradigm shift occurs. He characterises a crisis in belief in an existing paradigm as a harbinger of change, with such a crisis precipitated by an anomaly that cannot be explained by the prevailing paradigm. Not all anomalies precipitate crises in belief since anomalies occur frequently and often will be explained over time. While Kuhn offers no general guidance for what makes some anomalies crisis-inducing and others not, he notes that sometimes anomalies will clearly call into question "explicit and fundamental generalizations of the paradigm" (Kuhn 1970, p. 82). In applying this idea to financial regulatory policy, a major event or trend that goes against what could be expected or understood in the terms of a prevailing paradigm may be viewed as an anomaly. Ad hoc attempts may be made to stretch a paradigm's boundaries to accommodate anomalies. But if, as Hall, P. observes, the paradigm is incapable of dealing with anomalous developments, such experiments will result in policy failures that further undermine its value. Viewed in this light, the entire 2008 crisis may be seen as an anomaly, one which could not be explained by what the prevailing policy paradigm had predicted based on the market's long-touted self-correcting properties.[17] In that context, conflicting decisions on whether to rescue financial firms or let them fail – the too-big-to-fail question – may be seen as policy experiments.[18]

[17] See comments from Greenspan in chapter one as evidence for how the crisis undermined the prevailing paradigm and formed an anomaly.

[18] Policy experimentation could be seen in the government's back-and-forth decisions on bank rescues. In March 2008, the New York Federal Reserve provided funding for cash-strapped investment bank Bear Stearns, allowing it to be taken over by JP Morgan Chase. Six months after the Bear Stearns bailout, the government reversed course and allowed Lehman Brothers to collapse. Not long after that, it reversed course again, providing emergency funding for AIG and a host of banks. The too-big-to-fail issue is explored in detail in chapter seven.

Hall, P. focused his analysis on the economic policy approach advocated by Keynes, which he argued had become institutionalised into official procedures in Britain by the 1970s, setting the terms for how policy was to be implemented and measured. Keynesian ideas "became the prism through which policymakers saw the economy as well as their own role within it" (Hall, P. 1993, p. 279). Both the state and society had achieved consensus that this policy framework was the means of evaluating its own role and performance. He offered a three-level model for looking at policy decision-making, a model which is useful for this discussion because it draws distinctions between decisions about policy measures and adoption of policy paradigms. The first level is when policymakers adjust settings of instruments they have chosen (such as changing an interest rate). A second level is when policy goals are changed. And a third is when the overarching system itself – what Hall, P. called the hierarchy of goals – undergoes a transformation. Change at this third level represents a shift in the policy paradigm. In his example, the transition from Keynesian economic policies to monetarism constituted a paradigm shift.

A key point here is that the third level sets parameters for decisions at the first and second levels, making it all the more important to interest groups, the state or the public. Hay says that policy paradigms are internalised by politicians and state elites and may become "institutionally embedded" (Hay 2004, p. 504) in norms and procedures, defining what constitutes legitimate action. This idea of legitimacy echoes the notion of an Overton Window and its explicit role for the public, although Hall, P. says that decision-making at the first and second levels may be relatively insulated from interest group pressure. Where there are anomalies concerning the results of first- or second-level decisions, however, they can call into question the existing third-level paradigm. The research community and other actors in such cases are left to either stretch the boundaries of the paradigm to reconcile the discrepancies, or use them to highlight the need for a new paradigm. A complicating factor within this process, however, is the scope for regulatory capture and here theorists have identified a critical function for news media.

Agenda-building and capture theory

It is easy to think of agenda-building purely in terms of actors working in concert for a given policy or policy approach and hoping to engender favourable news media coverage as part of that effort. But one can also view it in negative terms in terms of efforts to reduce news media coverage. In this respect, theory about agenda-building and the role of news media intersect with capture theory.

Capture theory considers the scope for private interests to gain sway over the agencies charged with regulating them. Stigler, one of the earliest capture theorists, provided a theoretical rationale for capture based on a transactional model. In what later came to be known as the Stigler-Peltzman theory of regulation, Stigler suggested a scenario whereby political actors were in a position to sell power to a regulated industry's producers. It could be power over pricing or market entry, but ultimately, as Peltzman (1993) noted, it was over the wealth of a regulated industry's buyers and sellers. "These two groups compete for access to this power, and the high bidder wins." (Peltzman 1993, p. 822) The difficulty in demonstrating instances of capture is in arguing whether an auction has taken place and identifying the currency involved. As Peltzman says, the currency could be anything from the delivery of votes for a politician to campaign contributions to jobs in the political afterlife. But news media's appetite, or lack thereof, for reporting on such suspected power auctions –also sometimes referred to as rent-seeking – can thus be viewed as one indicator of its behaviour within the policy agenda-building process. Regulatory capture was cited as one of the factors that resulted in major banking deregulation in the late 1990s (Aikins 2009a), a development that some researchers argued helped usher in the crisis. Such analysis can form a part of an investigation into paradigm contestation by considering the extent to which news media focus on relationships between state actors and financial industry actors, or the extent to which the latter group bypassed news media in its agenda-building efforts.

Capture theory thus raises critical questions about financial policy and the role of news media, at both a paradigmatic and a measure-specific level. The media's potential role in paradigm contestation leads to a broad question as to whether a given policy paradigm can increase or decrease the scope for capture. Alternatively, one could ask, does the onset of capture merely represent a paradigm *in action* as that paradigm sets parameters for policy decisions and suggests the optimum approach for state elites? For instance, if certain politicians, state elites and the industry all broadly agree on a specific regulatory matter,[19] is the agreement an indicator of capture or does it simply reflect the pursuit of policies within a paradigm that is based on consensus? One point of a dominant paradigm, then, is that it has the potential to mask or at least offer political cover for instances of policy capture.

Baker (2010) draws a linkage between economic conditions and the scope for industry influence on regulators. The distributional consequences of banking regulation, for instance, are opaque to the public due to the highly technical nature of the subject. In the absence of clear societal interests in opposing bank interests, financial firms are able to push for regulation with a lack of public scrutiny. “Capture is therefore relatively easy during boom periods, but becomes much harder when regulation is repoliticized in the context of a crisis” (Baker 2010, p.652). The repoliticisation, one could say, may be emblematic of the paradigm contestation that a crisis could trigger.

At the same time, the news media, to the extent that it retains a watchdog role, can be characterised as having scope to reduce the possibility of regulatory capture. This scope is one of the features of a model developed by Levine and Forrence (1990), who said capture theory had dominated the literature of regulatory analysis since the 1960s (to the time of their writing). Their model is based on what Kalt and Zupan called "slack" in the principal-agent relationship (Kalt and Zupan 1984, p.282). Slack refers to the degree of policy discretion a regulator has. It can be invested in pursuing special-interest policies, or it can be consumed by pursuing “other-regarding” policies that are not favoured by the regulator’s polity. The model posits that self-regarding regulators will pursue general-interest policies if there is little or no slack, or they will be captured if sufficient slack is present.

[19] Such a scenario occurred in 1999 with the repeal of provisions of the Glass-Steagall Act. It will be discussed in chapter four.

One way of creating slack is to ensure the cost of information or of monitoring is high, thus shielding regulators from scrutiny and accountability. Typically, as seen in Baker's analysis, financial regulation is a subject where the cost of information for people – and therefore the amount of slack – is high. There is a perceived lack of incentives to learn about issues and monitor and discipline those officials whose acts might affect them. Levine and Forrence say news media may be the most powerful of slack-reducing institutions. A significant amount of public affairs reporting, they argue, "consists of trying to interest the public in one or another special-interest public policy or government practice, of which the general polity would disapprove if they were aware" (Levine and Forrence, 1990, p. 188). For example, one type of slack-reducing coverage would be reporting on a phenomenon known as "revolving doors". This is where regulatory officials leave their jobs for jobs in the financial industry, or where senior figures in industry take appointments in government, potentially creating sympathies in regulatory circles for the institutions and people they are meant to regulate.[20] Running through the literature on capture and the news media is a basic idea: the success or failure of news media to reduce slack and prevent regulatory capture is tied to the role that news media plays in democratic systems and the ability it has to perform that role.

2.2 Political economy, paradigms and crisis

Hall, P. suggests state decision-making can be viewed from two basic theoretical perspectives. The first is what he calls "state-centric" theories, whereby the state is largely independent of interest groups, giving policy makers a degree of autonomy. This camp follows a tradition of what we can call liberal realist accounts of democratic decision-making, which originated in the early decades of the

[20] Several policy studies examining the run-up to the 2008 financial crisis have focused on the number of high-profile cases of decisions involving revolving door appointments in the United States, not only during the Bush administration but also the Clinton administration before it. Canova (2009) also pointed to the continuation of a revolving doors tendency in the Obama administration.

20th century and which were promoted by Lippmann and Schumpeter among others. A second camp is what Hall, P. calls “state-structural” and it affords interest groups, political parties and other actors a role in the policy-making process (Hall, P., p. 276). In that respect, it follows the liberal pluralist theory of democratic practice as described by Dahl, Polsby, Downs and others (Ham and Hill 1984). These two theoretical traditions, while not precisely delineated, broadly envision differing roles for news media in the process of policy-making.

Lippmann argued public opinion, such as it could be viewed, should not be brought to bear on state decision-making beyond the election of leaders, because voters were not competent to wrestle with problems of government; they lacked the knowledge, curiosity or attention span to understand issues properly or prescribe solutions (Lippmann 1925). The deficiency of public opinion, in Lippmann’s view, is only exacerbated by a news media industry that aims first and foremost to appeal to the masses. Lippmann, who saw an “intellectual chasm” between elites and the ordinary public (Cochran 2001, p. 60), was giving voice to a long-running concern about decision-making within democratic systems and the possibility of a “tyranny of the majority”[21]. Schumpeter shared that concern and argued for a degree of policy-making autonomy, without reference to interest groups or direct democratic accountability. Schumpeter wrote: "Democracy does not require that every function of the state be subject to its political method" (Schumpeter 1942, p. 292). Instead, he called for a bureaucracy that was "strong enough to guide and, if need be, to instruct the politicians who head the ministries” (Schumpeter 1942, p. 292). Lasswell, while offering a more descriptive and less normative analysis, saw a world essentially run by elites and “specialists on the handling of things”, with particular power afforded to those “who specialize in symbols which sway the masses” (Lasswell 1936, p. 299).

In addition to such scepticism about the public’s ability to be rational or adequately informed, there was another factor which underscored this belief that decision-making power should rest in the hands

[21] The phrase, reflecting a central issue in democratic theory, was used as early as 1788 by John Adams and later by Alexis de Tocqueville (1835) and John Stuart Mill (1859).

of elites without undue influence from the public. Political theorists since the 1930s increasingly had displayed a growing interest in modelling political science on the natural sciences (Blokland 2011). A positivistic approach using empirical tests had gained favour, so much so that by the 1950s and early 1960s American behavioural science was enjoying institutional hegemony "on a world scale" (Hall, S. 2006, p. 125). Why should society put faith in the masses to collectively influence decision-making, the liberal realists asked, when elite experts had far better decision-making capabilities that could be used for the good of society? This is not to say that realist accounts discounted the possibility of corrosive elements in political systems; rather, they argued good leaders could employ elites who could resist such elements. As Niebuhr put it, rationality belonged to the "cool observers", who were pitted against the "stupidity of the average man" in the face of economic or political power (Niebuhr 1932, pp. 20-21).

The role of journalists in this sense therefore became two-fold: they needed to supply information for the state elites who were charged with making decisions and to inform the public of the decisions those elites had taken. From a normative perspective, those actors calling for this approach were arguing against any actual involvement by the public in the decision-making process. Such an account of policy-making thus may be helpful in considering what Hall, P. called first- and second-level decision-making. Or, as Blyth wryly put it: "Insulated technocrats adjust settings and instruments, and the economy, as Keynes hoped, becomes dentistry: technical and apolitical" (Blyth 2013, p. 204). One caveat, however, is that a state-centric approach suggests that paradigm contestation would be a purely inter-elite affair and such a scenario risks raising questions about a policy paradigm's legitimacy with the public. This is all the more pertinent during moments of high public salience, such as when a paradigm results in a significant anomaly that directly impacts the public.

The liberal pluralism theory offered by Dahl – corresponding with the state-structural camp – however does envision a more substantial role for the public and the news media in the political decision-making process. Dahl sought to show that power in the pluralist U.S. political system was fragmented. In that context he suggested there was at least scope for interest groups, no matter how small, to exercise a degree of power or enhance their influence through persuasion or alliances, effectively giving them a greater voice in the marketplace of ideas. Ham and Hill note the central role interest groups play in the pluralist system followed in the United States. Summarising Dahl's model, they write: "No group is without power to influence decision-making, and equally no group is dominant. Any group can ensure that its political preferences and wishes are adopted if it is sufficiently determined" (Ham and Hill 1988, p. 28).

Dahl and other pluralists have not necessarily argued that power was distributed evenly; some groups will clearly have more power in the form of money, other resources or access. Rather, Dahl, in his description of the political history of a single American town (New Haven, Connecticut), attempted to show through the existing political process that there was *capacity* within a pluralist system for contestation within a marketplace of ideas. The media in this sense is available not only to those who are powerful but also to any group that is determined enough and savvy enough to engage it. But here again, this is not to say that there is necessarily equal access to media or policymakers. The concept of biased pluralism (Kennamer 1994) describes how political systems do not give equal weight to different opinions. What is more, those opinions could be influenced by the very elites they are meant to influence. Ham and Hill say this was a point that was not lost on Dahl. They cite a passage from *Who Governs?* in which Dahl writes: "leaders do not merely *respond* to the preferences of constituents; leaders also *shape* preferences" (Dahl 1961, p. 164). While Dahl's view about democracy differed with Lippmann's, this remark from the former bears a striking resemblance to the latter's notion of manufacturing consent. Such views became central to radical critiques that would follow.

Hall, P. noted how debate about economic issues in the media and financial circles intensified significantly, causing the "marketplace in economic ideas" to expand dramatically from 1975 to 1979 (Hall, P. 1993, p. 286). During this period, prominent journalists, such as William Rees-Mogg and Samuel Brittan, and politicians such as Thatcher, made the case against Keynesianism and for monetarism. Hall, P. says the policy change began with a shift in the locus of authority away from the

British Treasury towards this growing marketplace of economic ideas outside the state. “The ensuing struggle to replace one policy paradigm with another was a societywide affair, mediated by the press, deeply imbricated with electoral competition, and fought in the public arena.” (Hall, P. 1993, p. 287) Here then was an example of paradigm shift where the news media, among other actors, played a significant role within a pluralist political environment. Its role was not just to inform decision-makers and the public, but essentially to reflect multiple publics and take sides. Furthermore, just as Dahl found power to be fragmented in New Haven, the locus of power in British policy circles was discovered to be fluid, an important finding in that it increased the odds in this case that the policy paradigm was open to contestation. The public’s role expands such that, “rather than acting as a feedback mechanism for the technocracy, the public gets involved discursively, contesting the very boundaries of politics and policymaking itself” (Blyth 2013, p. 205). On the surface, this example would suggest that government mechanisms, at least in the United States and Britain, were operating in accordance within the liberal pluralist model that Dahl described.

But does this mean we can simply adopt a liberal pluralist approach to an investigation into paradigm contestation and the role that the media plays? Not necessarily. Numerous thinkers have objected to Dahl’s analysis, identifying issues that cast doubt on the integrity of pluralism and the media’s role within pluralist systems. Hall, S. for instance cites Bachrach and Baratz (1970), whose work makes the point that a given group within a pluralist society may devote energies to creating or reinforcing social and political values and institutional practices that limit the scope of the political process to such issues as are comparatively innocuous to the original group (Hall, S. 1982). Lukes (2004) suggests actors can aim to achieve political goals by shaping people’s preferences such that neither overt nor covert conflict takes place, a process called latent conflict. Moreover, radical accounts of how power operates in society, in particular the ideas of Gramsci (2007), question the state’s ability to act without deference to dominant interests. If we are to conclude that policy paradigms can be openly contested, as a pluralist account would suggest, other critical theories should at least be considered. The “marketplace of ideas” metaphor, one which comes up repeatedly in critical analysis of politics and policy, offers a vehicle for such discussion.

The marketplace of ideas

The capacity of news media to act as a primary forum for the marketplace of ideas – and the political and social implications that result when that capacity is diminished – formed one of the earliest themes in philosophical discussion about liberal democracy. Mill, noting how history "teems with instances of truth put down by persecution" (Mill 1859, p. 52), saw the unrestricted flow of ideas as the only way to provide people with the opportunity of seeing truth through "its collision with error" (Mill 1859, p. 33). Mill himself may not have used the term "marketplace of ideas" but his writings have widely been associated with the concept (Gordon 1997).[22] In the United States, the phrase gained coinage during the 20th century, initially in legal rulings concerning the right to free speech and a free press under the First Amendment of the U.S. Constitution.[23] Mill stressed the importance of a free press specifically as a check against corrupt or tyrannical government. Since his time, thinkers expanded on this idea in multiple ways, including works that 1) examined the importance of the free flow of ideas to providing legitimation for policy decision-making in democratic societies, 2) attempted to show how the state can obliquely exercise control of the flow of ideas within the press, or 3) explored how non-state actors may influence the flow of ideas by steering or silencing the press. All three areas of scholarship are relevant to matters of public discourse about policy and policy paradigms.

Regarding the first of those three areas, deliberative democracy as envisioned by Habermas argues that anything less than the free flow of ideas risks jeopardising the legitimacy of policy. This model emphasises rational discourse and public consensus as a means of arriving at decisions in democratic

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[22] While Mill is often cited in connection with the "marketplace of ideas" term, scholars have traced the concept to John Milton's *Aereopagitica*.

[23] Rainey and Rehg (1996) discuss a broadcasting case in which the U.S. Supreme Court held: "It is the purpose of the First Amendment to preserve an uninhibited marketplace of ideas in which truth will ultimately prevail, rather than to countenance monopolization of that market, whether it be by the Government itself or a private licensee" (Rainey and Rehg 1996, p.1,933 footnote 27).

societies.[24] Benhabib is an example of someone who, despite her criticisms of Habermas, endorsed this view. She argued that legitimacy in democratic societies must stem from unconstrained deliberation of all matters of common concern, saying that "processes of collective deliberation conducted rationally and fairly among free and equal individuals" were a condition of legitimacy (Benhabib 1996, p. 69). In the ideal public sphere, Bennett and Entman suggest, all citizens have equal access to communication that is independent of government constraint and as a result are able to deliberate and build consensus which constrains the agendas and decisions of government. They note that this ideal has never been achieved and "probably never will" (Bennett and Entman 2001, p. 3), but they say the concept serves as a benchmark against which to measure real-world approximations. Similarly, the notion of a universally accessible marketplace of ideas – which is not synonymous with Habermas's conception of the public sphere but could be seen to form part of it – also can act as an ideal, allowing us to examine efforts to restrain it or influence it.

The second theme that was noted above in scholarship about the importance of the marketplace of ideas concerns the question of oblique state control of the flow of ideas within the press. If, as Hall, P. argues, a paradigm specifies not only the goals but also the problems that are meant to be addressed, it follows that paradigms influence people's perception of the marketplace of ideas by marginalising other goals or problems. Hence Hall, P. can talk of an *expanding* marketplace of economic ideas during a time of paradigm contestation. But what if the prevailing paradigm had not been the result of wide-ranging contestation and consensus? In this respect, Gramsci's concept of cultural hegemony offers a means of problematising paradigm maintenance and the media's role.

[24] Scholars have differing views as to whether the deliberative democracy model, even as an ideal, is compatible with pluralism. Rainey and Rehg argue it is. They say that because the theory "is predicated on an internally complex account of rational discourse, Habermas can argue that rational public deliberation is still possible for societies that lack the value homogeneity that some versions of civic republicanism seem to require" (Rainey and Rehg 1996, p.1,956). Mouffe, on the other hand, uses Wittgenstein's ideas about language to argue against the applicability of the model within a pluralist setting. She adds: "Another way of revealing the inadequacy of the Habermasian approach is by problematizing the very possibility of the notion of the 'ideal speech situation' conceived as the asymptotic ideal of intersubjective communication free of constraints, where the participants arrive at consensus by means of rational argumentation" (Mouffe 1999, p.751).

The symbiotic relationship between a paradigm and the marketplace of ideas can be viewed as problematic in that the linkage has the potential to reinforce cultural hegemony. Gramsci includes the use of the press as one of the state or party apparatuses, used to influence the flow of ideas. This functionalist description includes what Gramsci called "the so-called 'informational press' with its claims to be 'apolitical'" (Gramsci 2007, pp. 148-149). Restrictions on the marketplace of ideas are not necessarily achieved through authoritarian rule but through a ruling class-defined version of "common sense" (Gramsci 2007, p. 12 and p. 199), creating a system of "domination through consent" (Mumby 1997, p. 343), whereby people unquestioningly accept the norms that govern them (see also Eagleton 1991; Hall, S. 1982; Opratko 2013[25]). The notion of common sense in fact is what makes a policy paradigm hegemonic: A policy paradigm becomes influential "precisely because so much of it is taken for granted and unnameable to scrutiny as a whole" (Hall, P. 1993, p. 279).

Despite the emphasis on consent, cultural hegemony can call into question the legitimacy of a paradigm. If actors are drawing from a reduced marketplace of ideas (even one to which they have "consented"), as opposed to one expanded by the search for explanations to anomalies, a paradigm does not so much reflect consensus as it does hegemonic power. It is important to remember that Gramsci was arguing from a class-based perspective. Mills (1956), for instance, took pains not to conflate his idea of a "power elite" in the United States with that of a ruling class, which he considered a defective phrase in that it theorised that an economic class ruled politically; Mills saw a degree of autonomy in the political order. Thus, in examining the nature of hegemony and paradigm contestation, one is actually taking a neo-Gramscian approach, which Levy defines as a conceptual framework that extends Gramsci's ideas beyond national class conflict to examine social issues in international arenas engaging business and other societal actors (Levy 2007). In the same vein, Morton (2003), in identifying issues with historicising Gramsci's ideas, says it may be possible to take his writings as a "point of departure to deal with similar problematics in our own time" (Morton 2003,

[25] Opratko discusses the Gramscian idea of common sense at length in a paper he gave in 2013 that can be viewed at: https://www.youtube.com/watch?v=MAoI8gnXZf4 (accessed 9 June 2020). The section of his talk from 19:48 to 23:00 addresses the idea of hegemonic apparatuses, including news media.

p. 135). Viewed in a neo-Gramscian fashion then, Mills is essentially describing a form of hegemony exercised by the power elite which undermines the notion of true competition of ideas. He argues that "competition, if any, goes on between the manipulators with their mass media on the one hand, and the people receiving their propaganda on the other" (Mills 1956, p. 305).

Finally, there was the third theme related to the marketplace of ideas, whereby non-state actors may influence the flow of ideas by steering or silencing the press. Herman and Chomsky (1988) set out to show what they saw as the process of media manipulation in action, offering a model for how both state and non-state elite interests work in concert to use a supposedly free press to spread propaganda. The propaganda model considers five filters[26] that news must pass through, each of which can influence its content. The simplicity with which Herman and Chomsky's model describes news media as a tool of the powerful attracted large numbers of both admirers and detractors. While critics have argued that the model oversimplifies news media behaviour and lacks nuance in its findings, the work has served as an antidote to the elite vision offered by Lippmann and what some believe is an overoptimistic theory from Dahl. Still, one need not subscribe to the propaganda model to offer a radical critique of the role of the press; their model represents just one example.

All of these thinkers in one way or another were focused on the range of ideas, concepts and voices that news media could legitimately consider in the production of news texts. The importance of news media, and the reason it may be so prized by different actors as a tool for paradigm contestation, is clear in light of the socio-political nature of paradigm shift. "The movement from one paradigm to another will ultimately entail a set of judgments that is more political in tone, and the outcome will depend, not only on the arguments of competing factions, but on their positional advantages within a broader institutional framework, on the ancillary resources they can command in the relevant

[26] The five filters in the model are based on ownership of the media, funding sources, sources chosen for coverage, 'flak' and an anti-Communist ideology in the West. Herman (1998) later suggested this last filter had been weakened by the collapse of the Soviet Union but that this had been offset by an even greater ideological belief in market-based government.

conflicts, and on exogenous factors affecting the power of one set of actors to impose its paradigm over others.” (Hall, P., p. 280). In a pluralist account, politicians are forced to decide whom to regard as authoritative, especially in complex technical matters. The amplifying effects of the news media thus can become sought by various interest groups as well as state elites hoping to press their case.

Crisis and contestation

The possibility of paradigm adherence presupposes a degree of unity within the state. But Hay, expanding on Schmitter’s observation that the state is “an amorphous complex of agencies with ill-defined boundaries” (Schmitter 1985, p. 33), argues that the state lacks unity, or at best displays “latent unity” in its policy decision-making (Hay 1999, p. 321). The state may feature some central coordination, but generally the frameworks for decisions, procedures and practices can vary from one agency to another, while the legislative branch may be marked by deep divisions. Latent unity here refers to the possibility that the scope and operation of policymakers, at a structural level, may be influenced by the legacy of former state projects. Such unity often arises from moments of crisis, and it is during these times that the state may be able to tap into that legacy in order to overcome the inertia that Schmitter says is typical of an amorphous entity.

This notion that it is difficult to combat inertia is similarly important in radical accounts of power and the role of crisis. Gramsci suggests a crisis of authority is one way that hegemony can be overcome. Such a situation could occur based on actions by the ruling class, such as instances where a major political undertaking which required explicit consent had failed. An example of this would be war. Or, it could occur if the masses transitioned from a state of passivity to activity. The point Gramsci makes is that once the ruling class loses consensus, it is no longer “leading” but merely “dominant” (Gramsci 2007, pp. 275-276).

A crisis, as noted earlier, triggers a period of contestation and potentially an expansion in the marketplace of ideas as explanations are sought for the paradigm anomaly that the crisis itself represents. In pluralist terms, new ideas will often come from non-state actors such as the private sector or advocacy groups, potentially highlighted or amplified by the news media. In a neo-Gramscian sense, the crisis allows for hegemony to be resisted, thus allowing for the marketplace of ideas to expand.

In the United States, the crash of 1929 followed by the banking crisis of 1933, brought into question the benefits of laissez-faire capitalism because these events appeared to show, in dramatic fashion, what the absence of representative state involvement in market activity could produce and why state intervention was therefore needed.[27] In the case of the 1970s crisis, the perceived failure of Keynesianism, as evidenced by the financial and economic convulsions of that period, brought into question the broader concept of interventionism, or more specifically the idea that a relatively small group of state elites could be in a better position to create the conditions for sustained market stability and prosperity than the collective wisdom of the broader market was. The previous chapter charted the evolution of paradigms; what the discussion above illustrates is the key role that crisis plays in moving from one dominant paradigm to another, as the marketplace of ideas is expanded.

Still, as Blyth notes, "proof" in an economic theory is different from proof in mathematics, where parties to a debate can check each step against prior stipulations: "The problem with economic theory is that interparadigmatic choice between theories is not possible as the rules differ between paradigms. Thus, rational expectations theorists, real business cycle theorists, postKeynesians, and Austrians can all explain, in terms of their own theories, what caused, for example, the 2008 global financial crisis."

[27] Keynes's explanation can be found in a combination of two of his ideas. The first comes from his usage of the term "animal spirits", which he discussed in *The General Theory* and which suggests that individual decision-making is not always based on rational calculations of quantitative benefits and probabilities. The second is what Scharfstein and Stein identified as Keynes's belief in the tendency towards herd behaviour among money managers (Scharfstein and Stein 1990). Irrational behaviour and herd behaviour combined therefore had the potential to produce such market volatility that it became destabilising and destructive.

(Blyth 2013, p. 206) This, he says, makes the process far more sociological, value-driven and political than is often admitted.

2.3 News media behaviour: Framing and narratives

In such a value-driven, political environment, actors building an agenda that promotes a policy or policy paradigm can be expected to use whatever methods will help them best to succeed. One method which has received extensive consideration in the literature is framing. Framing receives attention not only because it offers a means of examining how actors seek to influence discourse at a micro level, but also because framing can become an integral part of strategies aimed at creating or reinforcing narratives.

The formal concept of news media framing can be traced to Goffman, when he referred to individuals' attempts to "locate, perceive, identify, and label" issues via "schemata of interpretation" (Goffman 1974, p. 21). Media theorists have offered a variety of definitions since then, although most focus on the idea that a frame provides a dominant perspective, salience or organising qualities (Gamson and Modigliani 1987, 1989; Tankard et al. 1991; Entman 1993; Scheufele 1999; McCombs 2004). Among the researchers who have contributed to discourse on framing, two stand out here for the purpose of considering agenda-building and paradigm contestation.

Entman provided a basic framing taxonomy. He writes: "Framing essentially involves selection and salience. To frame is to select some aspects of a perceived reality and make them more salient in a communicating text, in such a way as to promote a particular problem definition, causal interpretation, moral evaluation, and/or treatment recommendation for the item described." (Entman 1993, p. 52) [28]

[28] In a review of different ways that scholars conducted framing analysis, Matthes (2009) found that Entman's definition of a frame was the most commonly cited among the studies he surveyed. The next most common was

These four uses allow one to group frames and analyse their usage for patterns. Entman's subsequent framing model, based on the concept of cascading network activation, offers a tool for understanding the potential power of frames beyond the traditional unidirectional conception.[29] He suggests elite-sponsored frames not only can be passed on via the media to the public but also may be sent back "upwards" and have fresh effects on state elites; similarly, frames generated by the public may have effects on the media (Entman 2003, p. 419). The scope for multidirectional movement by frames allows them to be amplified since a frame that has been passed down may later be pushed higher, only to cascade down again.[30]

McCombs considered framing within the parameters of the agenda-setting theory he had co-developed, which was based on a correlation coefficient between what citizens thought were important issues and what the media reported. He calls the things (people, issues, events etc) that media wrote about or broadcasted "objects" and those objects in turn had attributes. For McCombs, a frame is an attribute of an object because it describes the object. "However, not all attributes are frames. If a frame is defined as a dominant perspective on the object – a pervasive description and characterization of the object – then a frame is usually delimited as a very special case of attributes" (McCombs 2005, p. 546). The media's choices of objects constitute first-level agenda setting, while the choices of attributes are described as second-level agenda setting. McCombs, who promotes a quantitative approach, thus suggests that framing can be considered not only in a qualitative way but

that of Gamson and Modigliani. They describe a frame as "a central organizing idea" (Gamson and Modigliani 1987, p. 143) within a text. They and Entman both focused on framing as a means of considering the essence of issues, but while Entman devised a taxonomy that focused on the types of issues, Gamson and Modigliani became interested in the ways those issues were communicated. They saw framing as taking place via "condensing symbols" (1987, p. 143) such as metaphors or catchphrases, which could then package a variety of positions into one digestible communication.

[29] The cascading activation model was proposed for geopolitical news in the context of 9/11, but it may be considered applicable here in the sense that geopolitics is an issue where the public relies on frames from other actors for cues, much in the same way it may do so for complex, low-salience subjects such as financial regulation.

[30] Entman and Usher (2018) updated the model to factor in social media and digital technology. As explained in chapter three, actors' use of social media is outside the scope of this thesis, although this is not to say that social media does not point to important considerations for future research into narratives and agenda-building.

also in a quantitative manner. By situating framing within an agenda-setting model, he raises the possibility that frames may be able to be studied for the impact they may have on an audience.

The agenda-setting theory was based on a much-cited observation by Cohen: "The press may not be successful much of the time in telling people what to think, but it is stunningly successful in telling its readers what to think about." (Cohen 1963, p. 13) While first-level agenda setting studies have borne out the "what to think about" part of Cohen's comment, the idea of second-level agenda-setting suggests the media may also have some success at telling people "what to think". From an agenda-building perspective, one important point to note is that frames are not only generated by journalists. Various actors, including state elites and special interests also may sponsor frames for journalists (Brüggemann 2014), provided that these actors are able to find themselves caught in a news net.

Kuypers (2009), in contrast to Cohen, does see the press finding some measure of success at telling people what to think. This, he argues, is thanks to the power of framing: "Framing involves how the press organizes the context through which the public views its news. At its heart this is a rhetorical process…." (Kuypers 2009, p. 185). Kuypers says many researchers have moved past Cohen's original proposition. De Vreese (2005) meanwhile says frames are endogenous to the political and social world. "While agenda-setting theory deals with the salience of issues, framing is concerned with the presentation of issues." (de Vreese 2005, p. 53). The frame, in this sense, can become an integral part of a news narrative. In Johnson-Cartee's analysis, the narratives that news media put forth are based on "formulaic narrative construction" (Bird and Dardenne 1988, p. 67, cited by Johnson-Cartee, p. 159) and previously determined structures that become narrative frames. "The narrative frame … is the basic organization of the structural components used in the story." (Johnson-Cartee, p. 159). Johnson-Cartee, who bases her analysis of journalists' affinity for narrative construction on the idea that news itself is a social construction, stresses that the creation of those narratives is often shaped by actors seeking to build their agendas.

By way of an example of the power of narrative, McBeth, Tokle and Schaefer (2018) suggest that post-crisis audiences received their information from narratives rather than news sources that contained empirical evidence. Their study was based on a narrative policy framework developed by McBeth, Jones and Shanahan (2014), which defined a policy narrative as having at least one character. This could be a villain (who causes a problem) or a victim (who is harmed by the problem) or a hero (who identifies and/or fixes a problem). The similarity between Entman's taxonomy of framing – with its problems, causes and solutions – and policy narrative thus becomes clear.

In order to promote frames and narratives, a common tool for agenda-building is the use of information subsidies, which are any methods that lower the "cost" – in the form of time and effort – of producing news. These provide a means of actors getting caught in the "news net" and potentially sponsoring frames. The most common form of an information subsidy is the press release; other forms include news conferences, seminars and public relations pitches. The public relations industry, which treats the provision of information subsidies as a core function, has been a particular focus in normative critical research about democratic decision-making. Habermas reserves a special place for public relations as a corrosive element in democracy as a result of its ability to subvert rational deliberation. Habermas attributes its success and its political potency to the objective of targeting public opinion, as opposed to the objective of private advertising, which may have a political dimension but where the target is private consumers. In the practice of public relations, a sender of a message "hides his business intentions" as someone interested in public welfare (Habermas 2011, p. 193). McChesney and Nichols (2010) make a similar argument, noting that people can debate what constitute the best-ever advertising campaigns but they could not do the same for public relations campaigns. "The hallmark of great PR is that the public does not recognise it as manipulation of the facts." (McChesney and Nichols 2010, p. xiii). Habermas in fact says public relations practices have come to dominate the public sphere in the advanced countries in the West.[31] In this regard, the growth

[31] Habermas's argument here has been supported by recent empirical evidence. McChesney and Nichols cite a report by the Pew Center for the People and the Press, which analysed the "news ecology" in Baltimore during one week in 2009. The study found eight out of 10 articles repeated or repackaged previously published information, and 86% of the remaining articles "originated with official sources and press releases pushing

of the public relations industry can be seen as a reflection of a broader intensification of private and state-sponsored agenda-building efforts.

There has been some scepticism in the literature about the public's scope for involvement in the regulatory agenda-building process given the historically low salience such policymaking has. But if paradigm contestation is triggered by crisis, is there evidence that the elevated public salience typically found at such junctures can give the public a more important role, as Hall, P. suggested? Arrese, for instance, identified a specific effect that the 1970s crisis had on media behaviour with regards to the economy and business news. No longer was coverage of the subject to be aimed at the minority and dominated by a few publications; it had become a matter of general interest (Arrese 2001, p. 173). Pagliari (2013) argues that most analyses of financial regulation have regarded the policymaking process as immune to or only mildly constrained by public opinion. The complexity of regulatory policies and their largely indirect impact for stakeholders outside of finance have limited the public capacity and incentive to invest time and resource in understanding them better (Pagliari 2013). Those factors may act to dissuade most members of the public from focusing on individual regulatory measures, even at times of moderate to high salience such as after the 2008 crisis. A counterargument, however, is that individual regulatory measures constitute the first and second levels of the decision-making process that Hall, P. described. If those are relatively immune from public engagement, the third-level decision-making – i.e. the paradigmatic level – may not be at a time of crisis.

One way to consider public engagement in efforts to frame issues is via Entman's cascading activation model. It suggests a hierarchy of positions that includes the public but which privileges the state. For instance, the White House sits atop the network and is able to offer initial frames which are received by other state elites, the media and the public; at the other end of the network, the public has

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stories to the news media" (McChesney and Nichols 2010, p. xii). The authors also cited data that said that by 2011 there were four PR practitioners for every working journalist in the United States, compared with just over two-to-one in 1990 and 0.75-to-one in 1960. See also Fenton (2011).

a more difficult time generating frames that will be used by the media and which, eventually, may make their way "upwards" to be received by state elites.[32] Carragee and Roefs in fact suggest "framing contests routinely favour political elites" (Carragee and Roefs 2004, p.216). But can private interests, recognising the multidirectional potency of framing and potentially offering generous information subsidies, occupy a similarly powerful position? Zoch and Molleda (2006) argue that skilled public relations practitioners can use framing and other agenda-building techniques to promote messages on behalf of their organisations. Non-state actors thus may effectively sponsor frames at different points in the network.

2.4 Journalism and the 2008 financial crisis

Despite the magnitude of the crisis, there appears to have been comparatively little discussion of news media's role in an agenda-building context specifically for financial regulatory policy. The dearth of such analysis is in one sense puzzling considering the view among many researchers, actors and commentators that policy decision-making – as opposed to events beyond anyone's control – had been a significant factor in the cause and nature of the crisis.[33] Furthermore, policy decision-making, in the highly charged period initially after the crisis, was not made in some technocratic vacuum; it occurred with the full glare of news media (Pagliari 2013), as society was focused on the ability of government to address the most significant crisis that capitalism had faced since the 1930s. Instead, much of the focus of post-2008 scholarship has been on the run-up to the crisis and the question of whether news media had abandoned a watchdog role beforehand. Given the questions about regulatory capture raised earlier, it was an understandable choice on the part of media scholars. A

[32] It should be noted that the example Entman offered concerned foreign policy and he did not include a place in his network for private interests, though I see no reason why the network could not be broadened to include such interests.

[33] This view is discussed in detail in chapter five.

news media that does not act as a watchdog, in the terms that Levine and Forrence use, is allowing the kind of slack in which regulatory capture can more easily take place.

A focus on the watchdog role

Not long after the fall of Lehman, a view appeared to take hold in the popular imagination that signs of the impending crisis were there to be seen if only people had been willing to look. In Britain, this notion was captured vividly in a newspaper account of a briefing given to Queen Elizabeth, whose own finances were hurt by the crisis, along with most people's. "Why did nobody notice it?" the Queen asked academics at the London School of Economics, perplexed by the notion that matters so large could occur without anyone paying attention. (Pierce 2008). In the United States, the idea that tell-tale signs were there to be seen was reinforced by the success of Michael Lewis's book *The Big Short* (2010), which profiled several people who correctly spotted them and profited spectacularly while the rest of the world suffered.

The initial post-2008 academic literature was thus unsurprisingly preoccupied with the apparent abandonment of a watchdog role with regards to financial news. In keeping with Queen Elizabeth's puzzlement, the main question posed by both academics and practitioners was how journalists apparently could have had so little indication that a crisis of this magnitude was approaching (Fraser 2009; Guerrera 2009; Harber 2009; Mohamed 2009; Schechter 2009; Schiffrin 2011; Schifferes and Roberts 2015). This vision of the watchdog role is wider than the traditional notion of one that focuses on the state, which Curran (2002) describes. "The principal democratic role of the media, according to traditional liberal theory, is to act as a check on the state. The media should monitor the full range of state activity, and fearlessly expose abuses of official authority." (Curran 2002, p. 217) Yet the state's purported role in the run-up to the crisis was one of inaction, not action (critics of neoliberalism saw it as wilful negligence and regulatory capture; proponents countered that governments were merely following the tenets of a paradigm that had brought three decades of prosperity). As a result, many of the post-crisis studies adopted a wider conception of the watchdog role, one which focused on the press's diligence in monitoring the state of financial markets and the behaviour of its principle actors, including the state. One argument for a wider watchdog role stems from the advent of neoliberalism, with its emphasis on the private sector replacing state functions. In such an environment, the press is called on to monitor both the public sector and the private sector. Curran alludes to this idea, pointing out that the traditional view "fails to take account of the exercise of economic power by shareholders and managers" (2002, p. 219).

The criticism was not universal. Roush (2009) argued that journalists did live up to their watchdog role but were simply not heeded, in part because people were too caught up in the bubble of a bull market to want to listen. While Roush does cite examples, a defence of news media performance would be strengthened by evidence that placed those examples within a wider context. Were the alarms raised consistently and forcefully enough to avoid getting drowned out by more complacent news coverage of the markets? A longitudinal study by Knowles, Phillips and Lidberg (2017) suggested that criticism about the news media's abandonment of its watchdog role during market booms had some justification. In analysing news coverage of a recession in the early 1990s, the dot-com bubble and the global financial crisis, the authors found a pattern of decreasing levels of forewarning and coverage regarding topics that were germane to the ensuring financial upheaval.

If one accepts that the press did not adequately warn of the looming dangers, the next question is what accounted for that collective failure. A variety of explanations were offered for what Fraser (2009) called "crash blindness". Was it a matter of competence and editorial standards? Did commercial pressures play a direct or an indirect role? Did news media exhibit some form of systemic ideological bias? Researchers and practitioners examined those questions and found evidence to suggest that all of those factors played a part, generally in some combination. Some of the research was focused more inwardly, such as that which looked at editorial decision-making and newsroom skills and knowledge. Other research focused more on the external issues, such as that which considered journalist-source relations or commercial pressures.

But before asking why journalists may not have lived up to the role of a watchdog, there was a more fundamental question as to whether they subscribed to that role in the first place. Tambini interviewed journalists and discovered “considerable dispute regarding what constitutes responsible business and financial journalism” (Tambini 2008, p. 8), with some seeing themselves as having a mainly commercial role in terms of selling newspapers, others aware of the social function of financial journalism, and still others rejecting the label of journalist altogether. Usher (2012) found pre-crisis journalism to be lacking either because the role was not subscribed to or because a problematic version of it was. She identified different conceptions of what the watchdog role entailed. These ranged from the so-called transmission model, where the journalist saw his or her role as a transmitter of important information but nothing more, to a form of watchdog journalism that is judged based on its results. She interviewed journalists at three news services (the *New York Times*, a public radio business news show, and specialist website TheStreet.com), all of whom had covered finance in the run-up to 2008. Usher concluded that it was not enough to simply transmit information, since people do not necessarily listen. In that sense, she echoed Roush.

Usher observed that journalists at the *New York Times*, for instance, felt satisfied that they had fulfilled their watchdog role because of their subscription to the transmission role. A critique of the transmission role, however, is that it may defang the journalist and empower other actors. Journalists may end up offering what Rosen (2009) called he-said-she-said journalism. Or, they may be influenced by external forces such as those that Herman and Chomsky described in the propaganda model. Or, they may remain vulnerable to the sophisticated techniques of a public relations industry whose growth Habermas and others lamented. For her part, Usher concluded that business journalism needed a more active watchdog role. She writes: “Thus, this approach means reconceiving watchdog journalism as a kind of storytelling that is intended to provide direction and clear guidance for action.” (Usher 2012, p. 14). This reimagining of the role, she argued, could force journalists to be more accountable when the storytelling was ineffective. Notably, Usher here is connecting watchdog journalism with the power of narrative.

Much of the early post-crisis research and commentary considered the issue of the watchdog role in terms of internal failures by the news media. This came both from academic researchers and journalists who had covered the run-up to the crisis. Fraser (2009), Guerrera (2009), Schechter (2009), Chakravartty and Schiller (2010) and Starkman (2014), among others, investigated the reasons why few journalists asked pertinent questions about mortgage lending, risk-taking and the health of the banking industry. Among the factors given were a focus on access over accountability (Schechter 2009; Starkman 2014), and a lack of adequate resourcing by profit-driven private media groups (Schechter 2009; Chakravartty and Schiller 2010). Another reason given for the media failings was that journalists often did not possess the specialist knowledge needed to overcome the obfuscating effects of a subject matter laced with technical jargon. Such professional deficiency was one the factors that Fraser focused on, which in turn made it difficult for journalists to resist the external factors that had contributed to their blindness. Journalists, the research suggested, were unable to assert themselves and challenge authority, whether that meant the state or the financial industry. As one business editor with the *Financial Times*, wrote: “We were lied to. We were not good enough or resourceful enough to see through the lies.” (Guerrera 2009, p. 48)

The critique of business journalism had its roots in behaviours observed well before the crisis. Arrese and Medina (2009) noted how the charge that journalists lacked specialist knowledge had been made about reporters and editors in the 1930s: “The financial newspapers, in general, were unable to interpret the magnitude of the economic disaster properly. This laid bare the poor professional qualifications of financial journalism.” (Arrese and Medina 2009, p. 61). Lee (2014) surveyed scholarship on financial journalism and found that the role of financial journalists was often a focus in numerous works from before the crisis; still, the bulk of the role-related research that his review covered, including a number of the scholars mentioned above, occurred after 2008.

Guerrera’s observation about the inability to see through lies draws attention not only to the allegedly lied-to journalists, but also to those supposedly doing the lying, or who at any rate are presenting a particular version of events. This strand of research, which examined the broader environment for financial journalism, falls within a long tradition that considers primary definers and the types of sources who are given most privilege. A post-crisis example can be seen in analysis by Berry (2012) on the types of sources who appeared most often on the BBC's flagship *Today* programme; in observing how such sources were overwhelmingly representatives of the financial industry, he showed how the range of debate about the British government's bank rescue plan was limited. Manning (2012) meanwhile focused on the relationships formed between journalists and their sources, and the ways that these relationships constrained journalists from seeking out the kind of information that might have pointed to a looming crisis. Here again there was an echo of one of the propaganda model's "five filters" that Herman and Chomsky argue shaped news coverage, which was the ability of sources to influence the journalists who covered them. Manning suggests the "taken-for-granted and mutually shared understandings regulating relationships between financial sources and journalists provided no incentives for journalists to actively seek the material from their sources that might sustain a more critical approach" (Manning 2012, p. 183).

Such research raises questions about the ways journalists and media organisations may have been susceptible to influence by an industry that they were charged with covering and about the techniques that the industry used to foster a favourable environment. Many of these techniques fall under the broad category of information subsidies, which could take the simple form of a press release but extend to junkets and more subtle means by which actors sought to shape news coverage. In short, the pre- and post-crisis critiques of financial journalism highlight a wide range of practical, commercial, ethical and professional issues.

But there remains a larger ideological point about whether news media may have contributed to its own "blindness" through its adherence to the dominant paradigm of the day, one which ultimately set the parameters for what was worth looking at and what was not. Was it possible that it did not even occur to many journalists that financial markets might not always be the self-regulating machines that their champions claimed them to be? How could reporters be expected to investigate whether banks were taking on excessive risk if they subscribed to a paradigm that predicted that banks, in the modern era, would not do such a thing? Mohamed (2009) wrote of how journalists during the run-up to the crisis acted as cheerleaders for the markets. The possibility that journalists may have been constrained by their paradigmatic leanings becomes all the more intriguing when one considers the way that journalism itself may become a factor in the establishment of a paradigm. This adds urgency to questions as to the ways in which the news media may have played an agenda-building role in promoting or resisting paradigm shift following the crisis, and how this might be observed.

Defining the rules of the game

Chapter one highlighted evidence and arguments from academics that a policy paradigm shift did not occur after the crisis despite evidence of problems with the prevailing paradigm. This prompts questions as to what may have prevented a shift, or the converse question, posed in chapter three, as to what factors account for society's embrace of the status quo. Blyth wrote how, given the more than $4 trillion price tag and the "demonstrable disconfirmation of 30 years of theory", one would think this was an ideal case for a paradigm shift: "That it has not demonstrates the power of the constructivist logic of paradigm shifts." (Blyth 2013, p. 206) Skilful agenda-builders, recognising political goals and vulnerabilities and using whatever resources are at their disposal, are in theory in a better position to jump into the news net and raise their profile within the marketplace of ideas and/or to marginalise or contain those actors calling for paradigm shift. Blyth noted that in Hall, P.'s study, those advocating for Keynesianism were few and those calling for change many. Three decades later, once the financial system had stabilised, it was the opposite. "In short, it is politics, not economics, and it is authority, not facts, that matter for both paradigm maintenance and change." (Blyth 2013, p. 210). He argues that paradigm contestation is a matter of meaning and meaning is always contestable.

One part of how that meaning is determined comes down to who successfully jumps into the news net. Skogstad and Whyte (2015) make the point that consideration of a paradigmatic anomaly in Hall, P.'s analysis gave a prominent role to experts; but one could also consider other actors, including news media (Skogstad 2011). In this context, the news media take on a potentially critical role in paradigm contestation, particularly in light of the emergence of a post-crisis view that expertise itself had been discredited. News media sit at the centre of an activation network where frames can be cascaded. Journalists, as much as any group of actors, have the ability to confer status and, by extension, authority. News media is thus prized by other actors for its capacity to advance narratives. Meanwhile, the news media finds itself in a constrictive commercial marketplace flooded with information subsidies from private interests and state elites. If news media has played a role in paradigm contestation in the past, this agenda-building capability illustrates not only its power but also its susceptibility. The choices that journalists make in supporting either the status quo or change arguably reveal the readiness to wear one set of blinkers or another. Those choices, bounded as they are by social constructionist senses of reality, can hardly be made in isolation.

A parallel question concerns the news media's capacity to resist the hegemonic effects of policy paradigms. McChesney and Nichols have argued that journalism is in a state of crisis as profit-driven corporations scale back on reporting and both corporate interests and the state intensify their efforts to manage the news flow. McChesney sees the state of the media industry as an important factor in the bias it may exert. "The problems of having wealthy private owners dominate the journalism and media in a society have been well understood all along; journalism, in particular, which is the oxygen necessary for self-government to be viable, will be controlled by those who benefit by existing inequality and the preservation of the status quo" (McChesney 2001, pp.12-13). Hallin (2008) similarly sees a troubling development in the degree to which market forces envelope the media. "Market forces do not guarantee that the media will serve their non-economic function as institutions of the democratic public sphere, and in many ways the breakdown of the forces that counterbalanced market forces has already taken its toll on the quality of democratic media, producing lowered investment in the production of news, sensationalism and other ethical problems, biases in the segments of society served by the media, and in some cases potentially dangerous concentrations of media power." (Hallin 2008, p.55).

Finally, there is a question of understanding bias. Entman has proposed a conceptual framework that brackets media effects such as agenda-setting, framing and priming under the umbrella of bias. He suggests that persistent patterns of content bias mean news media “may be systematically assisting certain entities to induce their preferred behaviour in others” (Entman 2007, p. 166), which can help distribute power to groups, causes or individuals. This framework has been employed in areas such as political campaign coverage, protest movements, tax policy and discussion of possible media bias itself. But analysis of news media bias in terms of paradigm contestation could take the theoretical discussion to a new level. Entman’s definition of content bias – patterns that promote one side in conflicts over the use of government power – could be applied to paradigm contestation. There is also room for expanding that definition. As the literature surveyed shows, such contests go beyond the use of government power. In the case of financial regulation, the question concerns not solely the use of government power, but crucially in the neoliberal context, the *displacement* of government power. Advocates of neoliberalism believe it achieves the latter by suggesting that market measures offer superior guidance to elite policy making or elected decision-making.

This project asks which actors, including news media, are able to exercise definitional power in an agenda-building context and how they do so. A running suggestion from the literature on policy paradigms is that questions of contestation ultimately come down to questions of meaning and who gets to decide where authority lay. A news media industry that retains a degree of self-awareness and autonomy, despite the barrage of influences it faces, may play a part in answering that question in ways that thwart regulatory capture and serve multiple publics. A news media that operates more as a megaphone for other actors suggests definitional power is held mainly by those who have the resources. These two positions correspond with the liberal pluralist and radical functionalist traditions of describing news media in relation to powerful interests. But the question about how to view post-crisis news media behaviour need not be binary. Curran (2002) says media organisations can be understood in both ways: news producers may be subject to formative influences that push them towards powerful interests, but non-elite groups are not without resources and can influence the media as well. In recognising the strengths and weaknesses of both radical functionalist and liberal pluralist traditions, he suggests the possibility of analysis that avoids either assuming that the media has autonomy or that it is subject to elite domination. This thesis attempts to navigate this middle ground. In charting the agenda-building efforts of a range of actors to advance frames and create post-crisis narratives, the project aims to offer insight into the meta-contestation which moments of paradigm contestation represent. In essence, we are looking not at who wins a policy contest. We are looking at who gets to write the rules of the game.

Chapter 3

Methodology

The first two chapters featured arguments for two starting assumptions for this thesis, one theoretical and one historical. The theoretical assumption, which is based on the use in behavioural sciences of Kuhn's ideas about paradigms, is that paradigm shift in an area such as financial regulation involves a substantial change not only in policy but also in public discourse. This assumption is predicated on the sociological aspect of paradigm shift that Kuhn identified, whereby consensus among key actors becomes a criterion in the acceptance of one paradigm over another. Evidence for or against the notion of consensus can be observed through both policy and other markers of discourse. In other words, if we wish to consider whether paradigm shift has occurred in a matter such as financial regulation – and by extension how or why it may or may not have occurred – we need to consider various elements of public discourse that can help us to determine the degree to which actors aligned and some level of consensus may have formed, or was in the process of forming, at a given point in time. Furthermore, since policy legitimacy is for some linked to public opinion (Russell 2006), and since the salience of financial regulation was heightened as a result of the 2008 global crisis (Pagliari 2013), questions about the dominant post-crisis regulatory paradigm call for an exploration of public discourse that is potentially wide-ranging.

The historical starting assumption is that paradigm shift did not occur in the initial years after the crisis. That notion is based on the proposition that consensus regarding the appropriate post-crisis policy paradigm was lacking during this period. Thus, this second assumption is contingent on the theoretical foundation of the first assumption. Initial evidence supporting the notion, in the form of certain aspects of post-crisis discourse, was discussed in chapter one. On the one hand, the second assumption need not be considered especially contentious for the simple reason that paradigm shift, as seen in the evolution of paradigms that was described, tends to take place over many years. On the other hand, the crisis represented a serious anomaly which a number of prominent actors argued could not be explained by the pre-crisis paradigm, calling into question that paradigm's validity in a Kuhnian sense.

If consensus around a new paradigm did not arrive following an event as severe as the 2008 crisis, an obvious question then becomes, why not? Was there some feature of the resistance to a new paradigm that is worthy of attention? If so, how strong was it and what form did it take within the post-crisis discourse? An exploration of such questions points the way towards understanding the process of paradigm contestation in a modern, hypermediated environment, or the possibility of gauging whether paradigm shift might still occur at a later date. Attempting to consider such a "why not?" question, however, is tantamount to what one legal scholar called the "mythic difficulty in proving a negative" (Saunders 1984). In other words, having proposed that a new consensus did not form – and thus that paradigm shift did not occur – one is left trying to muster evidence that accounts for why those events did not occur, a classic case of trying to prove a negative. The sine curve nature of regulatory paradigm evolution, as discussed in chapter one, provides a simple solution. Rather than asking why paradigm shift did *not* occur, we can turn the question around and consider explanations for why the paradigmatic status quo *did*.

In training our sights on post-crisis journalism, the two starting assumptions thus ask us to consider whether, and in what ways, news media may have continued to embrace a pre-crisis paradigm that was oriented more towards unfettered financial markets than state objectives and rule-making. The question raises at least two methodological challenges in light of theory about paradigm shift: 1) how we can determine news media's paradigmatic posture, and 2) how we can situate the media coverage in the context of discourse offered by other actors, such as politicians, regulators, academics, advocacy campaigners and members of the private sector, all of whom contribute to the paradigmatic debate. It also leads to an important conditional question: If news media did continue to embrace elements of the pre-crisis paradigm, what media production factors may have accounted for that embrace? Chapter two suggested that framing and narrative were fundamental to the ways in which news media may exhibit bias or influence audiences. We can thus formulate the research question as three specific questions, the first two of which are closely related:

> *RQ1: In what ways and to what extent did elite news media advance post-crisis narratives that promoted a given policy paradigm?*
>
> *RQ2: How did elite news media's framing and narratives align with discourse from other actors and contribute to a wider paradigmatic discourse?*
>
> *RQ3: What media production factors help account for the paradigmatic orientation of post-crisis news coverage?*

This project is weighted more heavily towards the first and second questions, but it views all three as important for forming an assessment about news media's post-crisis behaviour. The questions are predicated on the idea that news media plays at least *some* role in modern paradigm contestation and, as a result, that it becomes the target of agenda-building efforts by other actors. The first assumption, about the theoretical importance of discourse, guarantees news media a role because of the large contribution that news media makes to public discourse. One may focus on that contribution outright, or one may wish to consider the influence that news media may have had on other actors, or a combination of both.

Decades of research into the agenda-setting function of news media would suggest that it does play a role in terms of influencing other actors, notably the public. Even so, while the rationale for the research questions is strengthened by any suggestion of a role that involves influence, we need not make any claims as to the validity of that suggestion. In other words, an inquiry into the behaviour of news media within a process of paradigm contestation does not need to simultaneously show that this behaviour has an effect, either weak or strong. Simply understanding the nature of the coverage and the various ways that it supported or rejected paradigmatic concepts can help us understand the ways that news media forms part of an agenda-building process.

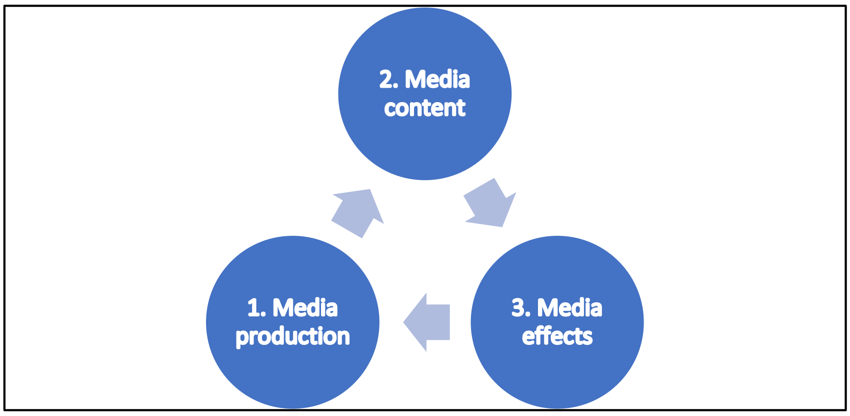
Scope of the thesis

In order to clarify the scope of the thesis, I thus find it helpful to think of media analysis in terms of three interrelated and sometimes overlapping categories: 1) Media Production, 2) Media Content, and 3) Media Effects. The first category refers to analysis of the factors that influence media behaviour. Examples of this would be the various external pressures that functionalist critics argue constrain and influence journalists in their choices of subjects or sources. I view the second as focused on understanding the nature of journalistic output. That could come from qualitative or quantitative content analysis or discourse analysis of texts; it also could include analysis of decisions by journalists (what gets included, what omitted, sources, stylistic choices etc). The third category considers the effects the content and journalistic behaviour may have on any other actor groups.

These categories can blur together and, in that sense, one could use a Venn diagram to visualise them. In line with analysis by Hall, S. (1973) and Entman (2003), I prefer to think in terms of their causal relationships with each other, with the understanding that media effects may influence media production as part of a feedback loop, as illustrated by Figure 3.1.[34]

[34] This model is in line with Hall, S.'s ideas about encoding and decoding in television discourse in the way that the product and its effects create a feedback loop that affects production. It also resembles Entman's cascading activation model in the way that different actors influence each other to produce dominant frames. The model could be expanded to consider other categories such as media distribution and media consumption, but I would argue these are more easily considered as factors that influence media production and media effects.

Figure 3.1 Media feedback loop



An agenda-setting or an agenda-building analysis could conceivably involve all three categories. In the case of this thesis, however, I am focused only on the first two, production and content. The thesis does not aim to show the effect that post-crisis media coverage may have had on the public or other actor groups (as an agenda-setting study might). It is limited to discerning what behaviour news media exhibited in terms of coverage and coverage decisions (the second category), and some of the media production factors that may have influenced that behaviour (the first category). Since the establishment of a policy paradigm involves different actors, such as those mentioned above, this agenda-building role of the other actors becomes important in terms of how they may have contributed to public discourse, directly via their unmediated texts, and indirectly by influencing media production. For instance, how did they influence, or seek to influence, media behaviour, or in some cases how and why did they bypass news media to reach certain specific target audiences directly?

To summarise, the research questions call for understanding journalistic behaviour and output after the crisis, but they do not require understanding the effects of that news coverage. They also call for an understanding of the behaviour of other actors, both in terms of the discourse they produced and any efforts to influence media production. It is important to note here in this last respect that the thesis is not focused on actors' use of social media as a platform or distribution channel. Social media is, by definition, all about the promotion of unmediated communication;[35] however, it has been left outside of the scope of the project for two main reasons. First, none of the three research questions is directly concerned with distribution channels beyond the basic issue of whether a text is mediated or unmediated. That dichotomy matters because the thesis is primarily concerned with what actors and what communications land in the "news net" (see chapter two). Second, consideration of distribution methods, in opening up a new area of investigation, would add considerable complications to a project which already is broad in scope.

Methodological approach

The methodology follows a mixed methods strategy of inquiry (Creswell 2003), using case studies based on quantitative analysis of discourse – as indicated by both mediated and unmediated texts – and supplementing that analysis with the results of interviews with actors. By unmediated texts, I am referring to any texts from actors that may be viewed directly (i.e. not through news media); these include published speeches, reports and statements. Unmediated texts also may include texts where actors responsible may not have been explicitly identified and/or have been subject to aggregation, such as public polling data, legislative acts or election results. The data from the content analysis is then considered in light of the results of the interviews (Jick 1979; Zhang and Wildemuth 2009; Qu and Dumay 2011).

Each post-crisis case study has two broad aims. In line with RQ1 and RQ2, the first aim is to form a detailed understanding of news media output in relation to policy paradigms and to situate it in the context of examples of discourse from other actors. That involves identifying patterns in media and non-media discourse, with a specific focus on framing and narrative elements that support one paradigm or another. In this respect, the project differs from a number of agenda-building studies.

[35] By unmediated, I mean here texts that do not reach their audiences via news media. This will be discussed in more detail in the next section.

Many agenda-building studies offer interpretations of inter-actor relationships based on chronological accounts of events and the ways actors lined up around issues and outcomes (see Weaver and Elliott 1985). In contrast, an agenda-building study that is based on the framing and narrative devices employed by actors – one conducted over an extended period of time – holds the promise of a different form of knowledge; it can illuminate the rhetorical strategies of different actors and how those strategies feed on each other, or counter each other. The content analysis thus aims to form a multifaceted picture of the post-crisis discourse, with the goal of determining whether actors moved towards, or away from, paradigmatic consensus in the initial years after the crisis. I do not suggest a fixed formula for determining consensus, though I do aim to recognise when actors congregate around ideas. A second broad aim of each post-crisis case study, in line with RQ3, is to try to understand news media production factors that may explain aspects of the content analysis.

Considering and measuring discourse

The presence of quantifiable variables in the form of different types of content, text sources and actors suggest a postpositivist approach can yield valid knowledge claims for this subject. At the same time, the complexity and subjectivity inherent in discourse warrants a constructivist perspective that recognises the variability of individual experience and sense of meaning as well as the constructionist nature of narratives (Johnson-Cartee 2005). I have adopted a pragmatic approach (Creswell 2003), one which draws heavily from the first epistemological tradition but acknowledges the constructionist and constructivist critiques of it, particularly with regards to any claims about objectivity.

The objective of understanding change in discourse supports a desire to “measure” it in some way. Whether it is strong, weak or absent, the notion of consensus involves a recognition of the different positions which actors take, the ways those positions have been framed, the relative volume of their contributions to public discourse, and an understanding of how those contributions may change over time. A quantitative method, and the reductionism that it requires, can take these different factors into account by treating each in categorical terms, in either a nominal or ordinal fashion. The results can be supplemented with metadata that allow for the variables to be weighted differently, such as contextual information about the actors or events that contextualise the data.

Quantitative analysis of the ideological dimension of discourse has been pursued in numerous strands of research, such as studies that seek to make claims about media bias (Groseclose and Milyo 2005; Covert and Wasburn 2007) or those that aim to establish empirical linguistic evidence of ideological currents that run through large volumes of political texts (Sim et al. 2013; López and Llopis 2009). Some of these studies take advantage of extraneous data to provide an ideological scale against which evidence of the discourse can be indexed, as in the case of Groseclose and Milyo. Others rely on automated linguistic analysis, as in the case of Sim et al., or López and Llopis. This project differs from those studies in that it involves qualitative analysis on a quantitative scale, creating data points for many hundreds of acts of qualitative interpretation. These acts may involve simple coding decisions such as the identification of a type of frame that is being employed; or they may be more complex, such as when a frame message is being examined for the way that it aligns with one paradigm or another. Specifically, the project involves analysis of whether discussion of problems, causes, solutions, moral judgments or consequences is being framed in such ways that the underlying messages align with an interventionist or market-oriented paradigm. The methodology also calls for augmenting that data with other forms of qualitative analysis in considering the individual texts of non-media actors. A common critique of quantitative analysis is that it does not acknowledge the qualitative nature of coding decisions. This study is explicit in recognising that each act of qualitative analysis is foundational to the quantitative approach employed.

Underpinning all of the quantitative approaches mentioned above for measuring discourse is the belief that the weight attached to different types of utterances matters. In the context of paradigmatic discourse, that requires an understanding of the nature of the utterances, including the authors, texts, chronology and frequency.[36] This last variable often comes into focus in media scholarship because of the potential direct or indirect effects of discourse by different actors. While media effects may be out of scope for this research, the potential for media effects remains a valid motivating concern. More importantly for this project, quantitative analysis can also provide clues about production. In identifying the weight that is attached to different voices, concepts, issues etc. we can identify aspects of the news coverage worthy of closer inspection from a production perspective so as to understand why those voices, concepts, issues etc. may have appeared so frequently, or so rarely, in the texts. By combining content analysis based on quantitative framing data with other forms of analysis, such as interviews, there is the prospect of a deeper understanding of news media production. An example of this approach can be seen in research by Allan, Anderson and Petersen (2010) on news coverage of nanotechnology; their work includes quantitative analysis of news frames and supplements this with interviews that enable them to understand the extent to which scientists play a role in news production and thus are able to shape public debate. In terms of considering the data results, this project took a general Exploratory Data Analysis approach (Tukey 1977), using descriptive statistics to present data relationships based on various categorical data variables, either in snapshot or timeseries forms.

The rest of this chapter is divided into four parts. The first part sets out parameters for the post-crisis case studies and the rationale for them, including news issues, actors, sources of texts and samples. Section two will discuss content analysis, including a description of an original quantitative method that was developed for analysing news texts that includes a regulatory paradigmatic category; it will also discuss analysis of non-news texts. Section three will discuss the use of semi-structured interviews to develop theories that account for the results of the content analysis and gain insight into media production. The final section will provide an overview of the case studies and the research design. It will also discuss some of the alternative methods that were not chosen and the constraints and limitations of the methods that were.

[36] The importance of frame frequency is explored by Miller and Riechert (2001) and discussed in more detail in section 3.2.

3.1 Research parameters: Issues, actors, texts and samples

The 2008 financial upheaval was global in nature, but it began in the United States. Numerous studies have shown how a collapse in the sub-prime loan market following years of sharp growth led to severe distress for U.S. banking institutions, which had a domino effect that quickly took on international dimensions. Kamin and DeMarco (2012) found little evidence that the crisis spread because of direct foreign exposure to the U.S. financial system; rather, less tangible channels of contagion appeared to have been involved, such as a generalised run on financial institutions, cycles of mark-to-market losses due to fire sales of assets, and a realisation that financial firms around the globe had been pursuing similar business models. "At an extreme, the U.S. subprime crisis, rather than being a fundamental driver of the global crisis, may have been more of trigger for a global bank run and for disillusionment with a risky business model that already had spread around the world." (Kamin and DeMarco 2012, p. 6)

Their finding points to two considerations for the purpose of this research. The first is that since the United States was essentially ground zero for the crisis, it is a suitable initial focus for studying the discourse surrounding the regulatory response. The second is that the regulatory discourse should be wide-ranging. Just as the crisis involved far more than U.S. sub-prime loan markets, the policy response addressed wider issues and hence the analysis of discourse would need to as well. Allowing for the case studies to be wide-ranging, in terms of the issues considered, is suitable for a study of discourse involving policy paradigms since, by definition, such paradigms involve a range of issues and economic principles. All of this makes the discourse surrounding the Dodd-Frank Act a logical choice for situating the study given the scale of the law.

The Dodd-Frank Act has several other benefits as a focal point for the thesis. It was the first major policy response to the crisis among the world's biggest industrialised economies. It was a distinct, domestic endeavour, albeit one designed with a globalised financial system in mind. It was large enough to gain a measure of public salience in and of itself; in other words, news about Dodd-Frank and the regulatory debate became a distinct sub-category of news related to the financial crisis. Considering the application of the Overton Window concept to paradigmatic discourse, public salience thus becomes a factor in the choice of subjects.

Issues that emerged in the regulatory debate

To identify the specific issues that fell under the broad umbrella of post-crisis regulatory debate, in order to provide focus for case studies, I reviewed three types of unmediated text sources. The first of these was the Dodd-Frank law itself as that provided a clear indicator of some of the issues that came up for discussion as it was being drafted. A second text source was a corpus of think tank research papers over a period of more than three years, from June 2009, when the Dodd-Frank bill was introduced. A third was the listed priorities of an umbrella public advocacy group.

Six broad issues emerged from a review of specific titles and various provisions in the Dodd-Frank Act (see Appendix 1).

1. **Systemic risk stemming from too-big-to-fail (TBTF) institutions and inadequate capital requirements:** This refers to the notion that the failure of certain firms could endanger the financial system; that regulators should focus on the capital adequacy of the banking industry; and that public funds would potentially be needed for any support of private sector firms that threaten the financial system.

2. **Consumer protection:** This concerns the role of ordinary consumers in the financial crisis and the view among some officials that protection was needed from predatory financial firms.

3. **Transparency/access to information:** This concerns the dearth of information regarding swathes of financial activity; many observers noted after the crisis that both the state and the marketplace had no centralised sources of information concerning bespoke derivatives contracts worth hundreds of billions of dollars, meaning regulators and market participants were essentially flying blind before the crisis.

4. **Investor protection:** A perceived lack of protection for investors in the event of a TBTF event was a feature of the post-crisis debate due to the potential for systemic risk.

5. **Regulation of non-bank firms:** This relates to TBTF. The near-collapse of American Insurance Group and other non-bank firms during the crisis, and their systemic importance, made this a point of discussion. Arguably, it could be included in the first issue in this list, but it received separate attention in the act.

6. **Systemic incentives:** This is an umbrella term for incentives for market participants to take on historically high levels of risk. Examples of these ranged from banks' bonus culture and short-termism to credit rating agency business models. This too related to the first issue.

The above list is not an exhaustive list of issues Dodd-Frank sought to address. Equally importantly, this list does not consider issues that were *not* addressed by Dodd-Frank. To identify any of those, I reviewed think tank literature based on a ranking of think tanks and a set of search terms. The *Global Go To Think Tank Index Report* (McGann 2009, 2010, 2011, 2012) featured the following rankings from its top 10 "Domestic Economic Policy Think Tanks" (domestic here meaning U.S.-focused):

Table 3.1 Think tank rankings over sample period

Institution	2009	2010	2011	2012	Total
Brookings Institution	1	1	1	1	4
Cato Institute	2	3	3	2	10
National Bureau of Economic Research	5	2	2	4	13
Peterson Institute for International Economics	4	5	4	5	18
American Enterprise Institute	3	4	10	3	20

The last column shows the five lowest cumulative totals among think tanks that were ranked, making them the five highest-ranked institutions over the total four-year period.

(McGann 2009, 2010, 2011, 2012)

To identify a representative sample of their work, a Google search was performed based on their website domains and the terms "regulation", "Dodd" and "Frank", for the period from 1 June 2009 to 31 December 2012. This identified 115 separate publications, of which 42 were omitted for consideration because they were not focused on financial regulation or were not examples of original research (e.g. a reprint of an article from elsewhere).[37] All six of the above issues featured in the sample of 73 think-tank works. In addition, one issue appeared frequently that Dodd-Frank did not address; this was the question of government activity in the housing market via two government

[37] For a complete list of the reports included in the review, see Appendix 4.

sponsored enterprises (GSEs) known as Fannie Mae and Freddie Mac.[38] To the six issues listed above, we can therefore add:

7. **Government housing market activity:** This concerns the role that government sponsorship of home loan agencies plays in influencing the behaviour of both lenders and borrowers.

Looking at all seven of these issues, we can consider their perceived relative importance by identifying how often they featured as a focus in those 73 think tank publications, as shown in Table 3.2.

Table 3.2 Issues in focus in think tank literature

Issue	Publications that highlighted key regulatory issues
1. Systemic incentives	33
2. Systemic risk/TBTF/capital requirements	31
3. Government housing market activity	25
4. Transparency/access to information	11
5. Consumer protection	10
6. Investor protection	5
7. Regulation of non-bank firms	4

Table 3.2 lists the number of publications in the sample which focused on different regulatory issues. Some publications focused on more than one key issue. As a result, the sum of the totals exceeds the number of publications in the sample.

38 Fannie Mae refers to the Federal National Mortgage Association and Freddie Mac is the nickname for the Federal Home Loan Mortgage Corporation. They were set up to buy mortgages from originators, thus freeing up those lenders to offer more home loans. Fannie Mae was created as part of Roosevelt's New Deal initiatives; Freddie Mac was formed in 1970 to expand the secondary mortgage market and create competition for Fannie Mae. Both became publicly traded companies, although their business model was supported by an implicit belief that they would have government support if needed. Both companies, which owned enormous amounts of non-performing loans as a result of the crisis, were put under the conservatorship of the government in 2008.

The number of times that systemic incentives featured in the sample was due in part to the umbrella-like quality of the category and its close relationship to the second most discussed issue. Meanwhile, the frequency of TBTF/capital requirements as a talking point mirrored the prominence that the regulatory community appeared to give it.[39] Notably, an issue which was not addressed in the law itself, government housing market policy, received strong attention in the think tank community.

A final source for identifying the most talked-about regulatory issues were advocacy groups. Advocacy groups are not ranked like think tanks. A group called Americans for Financial Reform (AFR), however, was formed in June 2009 and acted as a coalition of nearly 200 state and local advocacy groups; it thus can be seen as representative of this actor group. Although AFR employs rhetorical language, the priorities it chose upon formation are broadly in line with the issues that emerged from the think tank sample and from Dodd-Frank itself.[40] AFR's priorities include, in alphabetical order, consumer protection, home ownership policy, systemic incentives, systemic risk and TBTF, and transparency, among other issues. The only notable issue that featured in Dodd-Frank and in the think tank literature, but not in the AFR priority list, was investor protection.

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[39] Sheila C. Bair, chair of the Federal Deposit Insurance Corp from June 2006 to July 2011, cited TBTF as the most pressing issue to be addressed by post-crisis regulation. She was quoted in the *Washington Post* in 2009 as saying: "It is at the top of the list of things that need to be fixed." (Cho 2009) Federal Reserve Chairman Ben Bernanke held a similar view, based on Congressional testimony he gave in September 2010. (Cha 2010)

[40] AFR's website (Americans for Financial Reform 2020) lists the following priorities:

- Fair rules of the road for consumers and a strong, effective Consumer Financial Protection Bureau to set basic safety standards and protect families—and the market as a whole—from loans designed to trick and trap
- A banking system that helps people buy and stay in their homes and invests in communities and businesses to create good jobs and strong neighborhoods
- An end to the casino economy that allows Wall Street to make "heads we win, tails they lose" bets with our money
- An end to megabank bailouts and financial institutions that are "too big to fail"
- Executive compensation that rewards long-term value creation, not excessive risk-taking, with meaningful shareholder review
- A transparent and accountable Federal Reserve, independent of banking industry control
- Transparency for all financial products and markets
- Meaningful limits on the political influence of the financial sector, so that the job of rewriting the rules is not left to the inside players who caused the problems we now face

Actor categories

State actors are central to any discussion about regulatory policy. I broke this down into two sub-groups, the first of which were political actors and the second of which were officials. The term political actor here typically means politicians, their staff and other political figures such as advisors. State officials are unelected government staff. Many of these are part of the regulatory community who work in a government agency or entity such as the Federal Reserve, the Securities and Exchange Commission or the Treasury.

Journalists, who themselves contribute extensively to public discourse, form another group. In most cases, the journalists captured in the content database will be staff reporters for the *New York Times* or the *Washington Post*. In addition, the thesis considered views from the interviews, which included journalists who had worked for both of these publications as well as for nine other national or international news organisations. Together, they represent a distinct sub-section of the news media actor group, which will be discussed further below.

Another group that has been mentioned already is what is here called independent elites.[41] This includes academics, think tank researchers, public intellectuals or commentators with a platform for advancing their ideas beyond that of rank and file journalists. For example, a former government official being quoted in a news article to provide historical perspective or expertise would fall under this category. If a former official had a formal advisory role – the best example being Paul Volcker, a former Federal Reserve governor who was an official advisor to the Obama administration – that person would be categorised as an official and not an independent elite since the person's views help to form policy, not just discourse.

[41] The term "independent" may be thought of as misleading in some cases since this group involved some representatives of organisations that are often seen as aligned with a political party. The term is used here to refer to how their roles fell outside of both the public and private sectors.

In terms of the private sector, I created two sub-groups. One was for figures from the financial industry, including banks, brokerages, investment firms and financial industry groups. A second was for all other corporate actors, such as broad-based pro-business lobby groups or figures representing non-financial firms.[42] As could be expected, the bulk of the actors who featured in the regulatory discourse were from the financial industry.

Two finals group of actors were the public and public advocacy groups. These may involve specific movements, campaigns or organisations such as labour unions. Advocacy groups in some cases may project themselves as extensions of the public, so just as the line may blur at times between independent elites and other groups, it similarly may between advocacy groups and the public.

The taxonomy of actors considered here thus consists of:

1. State actors – politicians and unelected officials
2. News media
3. Corporate actors – financial and non-financial
4. Independent elites
5. Advocacy groups
6. The public

Since this project aims to examine news media production, it considers actors in an agenda-building context, as defined in chapter two. For each of these actor groups, there are a variety of factors which may guide them or set parameters in terms of their interactions with each other. Each group may have different target groups it seeks to influence, based on historical or functional factors. Each group also may have varying degrees of power, either through the scope to directly influence other parties such as via legislation, through so-called second-dimension forms of power such as agenda-setting, or through third-dimension forms such as the ability to shape the systems in which power is exercised

[42] Other corporate interests may be mobilised by the financial industry in the process of providing feedback to regulatory proposals (see Pagliari and Young 2016).

(Lukes 2004). There may be funding factors that give corporate actors access to some actors such as political actors, or that create incentives for independent elites.[43]

One common issue for them is that they all have relationships with news media. The thesis does not set out to inventory and understand all of the various factors that define the inter-actor relationships, but it can at least consider each actor group's relationship with news media, including instances where media contact was avoided. Since all of the actor groups are sources for news media, each relationship has implications for media production due to the relative importance of each source group to journalists in a given news story context. In some of those cases, there may be extensive literature on source relationships, such as that between political actors and journalists (Davis 2009). In other cases, there may be little. Lerner (2017), for instance, says the ways that think tanks and advocacy groups wield influence is understudied. Citing Medvetz (2012), he considers think tanks as part of a "metafield" in policy discourse that includes other actors, including news media. Abelson (2006) notes that "think tanks understand the demands placed on the media and respond by providing them with a steady stream of timely and relevant information" (Abelson 2006, p. 171). They may also affect media indirectly, setting the parameters for debate and influencing policymakers (Abelson 2018).

While a quantitative method has been adopted for the content analysis, such an approach was not considered suitable for analysing these inter-actor relationships due to the inherent difficulties of measuring influence. For instance, media exposure can help us identify which think tanks are prominent in policy debate, but that says little about their actual influence (Abelson 2006). "Rather than trying to equate media visibility with policy influence, we should explore how policy issues discussed in the media, in the academic community, in the private sector, and in think tanks eventually make their way to policymakers." (Abelson 2006, p. 175) It often may not be possible to

[43] See, for instance, Goldenberg (2013), available at: https://www.theguardian.com/environment/2013/feb/14/funding-climate-change-denial-thinktanks-network (accessed 11 April 2020).

perform forensic analysis that traces the precise journey of a policy issue from an actor group to policymakers. It is, however, generally possible to identify which issues different groups are focused on, and to examine the way those issues are framed from a paradigmatic perspective by the different actors. The discussion thus far shows how issues at a broad level can be identified in different texts. The method developed for this type of paradigmatic analysis will be discussed in section 3.2 on content analysis and interviews.

Texts and samples

At the centre of each case study is the content analysis that was performed on a sample of news articles. Analysis of unmediated texts that came from other actors was used to contextualise the data on news media, but those texts represented a smaller, and less systematically produced, volume of data. That had implications for their representativeness, which I discuss later.

Text news media, in the form of print or online, was chosen over broadcast, or a combination of text and broadcast. This was due to the multifaceted nature of the regulatory debate and the degree to which I expected an exclusive focus on text media would afford a better chance of capturing the multiple ways in which complex regulatory issues featured in the coverage. All forms of media have time and space constraints, but the constraints for broadcast media are more rigid, often due to cost factors. Barnett (2011) offers a range of reasons for why television is less-equipped to tackle complex issues, including its focus on pictures, its emphasis on entertainment value and its need for brevity. Such factors, according to Barnett, weigh against the kind of thoughtful journalism that Murrow had in mind when he held out hope that television might become more than “wires and lights in a box” (Murrow 1958).

Given the subject matter, I selected national or international media that fit the definition of “elite media” (Chomsky 1997). Such media typically have what Golan (2006) calls an inter-media agenda-setting function, meaning that their editorial choices set the pace for other media. I chose two news sources: *The Washington Post,* and *The New York Times*. Both have a national readership and are known for their focus on policy and their readership by state actors, corporate interests and independent elites. The decision to limit the sample to two sources was based partly on practical considerations. The quantitative content analysis methodology was intensive and highly manual, and the sample period was long; as a result, widening the number of news sources would not have been feasible. At the same time, at least two text sources were required to ensure that the results of the data were not publication-specific.

The Dodd-Frank bill was unveiled in June 2009, so the sample period began on 1st June 2009. It ran to 31st March 2012; the end-date was chosen because it allowed the sample to consider coverage through to the early phase of the 2012 presidential election. In between those two dates were the mid-term elections of 2010, which were largely seen as a referendum on the Obama administration's policies, including Dodd-Frank. Also captured in that timeframe were the conclusion and release of a major Congressional investigation into the causes of the financial crisis called the Financial Inquiry Report, and the beginning of the implementation phase of Dodd-Frank.[44]

An additional consideration in terms of the sample period was a benefit I perceived from establishing a modest distance from the height of the crisis. The period between the collapse of Lehman Brothers in September 2008 and March 2009, when the Dow Jones Industrial Average stock index reached a post-Lehman low, can be regarded as the most intense period of the crisis. This was when the government was in what we might call crisis management mode. In choosing the focal point for the thesis, I drew a distinction between state action that might be characterised as crisis management and longer-term reform. Emergency stimulus measures fell within the former, whereas Dodd-Frank fell

[44] The law left regulators with extensive latitude for what is known in the United States as regulatory rule-making. During this period, entities such as the Commodity Futures Trading Commission or the Securities and Exchange Commission, in consultation with financial market participants and other stakeholders, began a long process of agreeing specific rules as mandated by Dodd-Frank. The implementation phase resulted in a continuous stream of developments that could lead to news coverage.

within the latter. This not only allowed the case studies to focus on more considered reform debate, but also meant that there was a greater chance of the atheist-in-a-foxhole phenomenon not skewing the results. The phrase “There are no atheists in foxholes”, which is believed to have originated during the Second World War, refers to the idea that when faced with life-threatening danger, people will believe in a higher power regardless of their previous attitudes. In crisis management terms, it would suggest that during moments of extreme financial peril, people will suspend anti-statist ideological or paradigmatic belief systems temporarily.[45]

Sample articles were obtained from the Nexis database based on the following Boolean search string: “financial regulation” and (Dodd or Frank) and crisis. The “(Dodd or Frank)” term was chosen in order to capture all articles that used the term Dodd-Frank as well as any articles that dealt with financial regulation and quoted one or the other of the two lawmakers but did not use the bill’s name. The search terms meant that the sample was focused on news stories that were primarily about regulatory discussion. That resulted in various types of coverage about the crisis and its causes, effects, remedies etc. being omitted from the sample.

After an initial sample was obtained, a small number of items were omitted because they were either a) unrelated to the research subject, b) newswire copy, or c) non-news items such as diaries or transcripts. Editorials were included but were coded to allow analysis excluding op-ed content. The samples featured 97 articles from the *Washington Post* and 119 from the *New York Times.*

The news articles from these two newspapers provided a large body of texts for analysing media coverage. They also offered evidence of the paradigmatic leanings of all of the actors who were quoted, either directly or indirectly, in them. In addition, a broad range of unmediated texts were analysed. These included:

[45] The phrase was used by one of the interview subjects for this project, Gary Burtless of Brookings Institution, when he was talking about journalist behaviour after September 2008.

State actors:	The Congressional Record, Congressional hearing transcripts, the Financial Inquiry Report, speeches, statements, website pages
Elite actors:	Review of think tank reports
Corporate actors:	Transcripts of Congressional testimony, press releases, website pages
Advocacy actors:	AFR website, press releases
The public:	Polling from Bloomberg, Gallup, The Harris Poll and Pew Research Center[46]; Google Trends

The rationale for the selection of different unmediated texts was based on a variety of factors, including their representative quality, relevance and accessibility. I was aware that there is a risk of cherry-picking in such cases; I sought to mitigate that by selecting texts that were unambiguously relevant and as representative of the actor groups as possible. For instance, when using the Congressional Record (see chapter seven), detailed searches over extended periods were performed for all instances of statements that related to the issue at hand.

3.2 Content analysis

Having identified issues, actors and texts, the next step was to determine the methods that would be used to analyse the discourse. In this section, I will first give an overview of some of the main concepts underlying the quantitative method developed for this thesis, and then discuss the method in detail from an operational perspective.

Discourse and paradigms: narratives and frames

In the context of Kuhn's observations about the nature of paradigm shift, it is helpful to remember that the agenda-building process concerning policy paradigms has a rhetorical dimension. Most actors may feel free to use a full range of rhetorical devices, many of which can be traced to the start of

[46] Critiques of the use of public polling data as an indicator of public opinion were discussed in chapter one.

rhetorical theory with Aristotle (Rapp 2010). Journalists, however, are unlike other actors in policy debate in that, since roughly around the start of the 20th century, they have largely aimed for a professional standard of objectivity (Schudson 2001), however difficult that may be to achieve in practice. In seeing their role as more of a neutral referee than a player (Skovsgaard et al. 2013), journalists are more likely than other actors to eschew rhetorical devices such as the development of logical arguments or the frequent employment of empirical data as part of any effort to persuade an audience of the merits of a given position or narrative.

Chapters two noted the social constructionist role of narrative and how that could form an important part of any discourse in support of, or in opposition to, a policy paradigm. Narratives may derive their persuasive power from rhetorical devices or they may be considered rhetorical devices in and of themselves. The connection between framing and narratives that was discussed in chapter two is central to the content analysis method set out below. Taking into account the above-mentioned idea that journalists by and large do not consciously seek to employ rhetorical devices to further arguments, we are left with the question as to how media coverage might contribute to the formation of narratives via other means. The thesis proposes that patterns in micro-framing support narratives[47] and that those patterns can be effectively identified through quantitative content analysis. As a result, it argues that news media help to establish or support narratives not through the force of evidence, logic or explicitly rhetorical language but through repetition of ideas and perspectives.

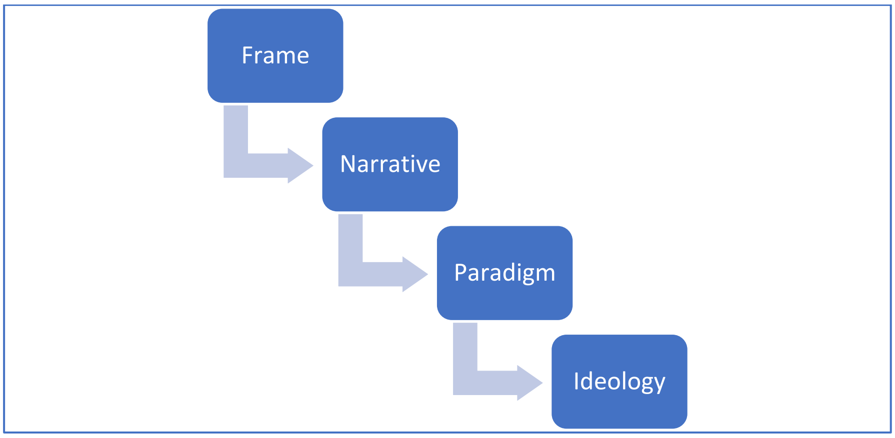
The repetition of certain ideas and perspectives, which this thesis measures by considering different types of frames and frame metadata, provides indications of which narratives are dominating the news sample. Given that the sources of many of the micro-frames that feature in the news are other actors, such analysis also gives a potential indication of the strength of agenda-building efforts by those actors. At the same time, the quantitative analysis techniques may then be applied to unmediated

[47] Framing can operate at different linguistic levels, including the basic unit of thought, the sentence. McCombs and others have distinguished between macro- and micro-framing, with macro-framing referring to the main perspective being adopted in a text and micro-framing referring to subsidiary aspects such as linguistic choices, the presence of certain actors or specific content that features in the text.

texts, using either macro-framing or micro-framing to identify correlations between the frames, narratives, texts and actors. Underpinning this methodology is a fundamental concept often used in media scholarship. It is the same idea that supports the agenda-setting theory developed by McCombs and Shaw (1972), namely that frequency matters because it has a crowding out effect in the minds of audiences.

In light of the frame-narrative relationship described above, and the discussion in chapter two, we can visualise the relationship between framing and policy paradigms as follows:

Figure 3.2 Components of discourse: From framing to ideology



Within the framework illustrated by Figure 3.2, a frame is a component or feature of a narrative. A frame can help "sell" the narrative by offering a compelling element to the storyline, such as when a condensing symbol (Gamson and Modigliani 1987) like a metaphor or catchphrase is used. In order to see how frames can be determined to support one narrative or another, a coding operation was performed on each frame identified. In terms of the research questions, we are thus exploring the extent to which news media may have framed issues in line with either a market-orientated or interventionist paradigm.

The term narrative can be used in at least three ways in terms of news media. The first, and simplest, way is the idea of a description of a series of events, often in chronological order. A second way is to think of narratives in terms of dominant themes. For instance, a media narrative can refer to the repetition of certain ideas or concepts, such as the benefits or detriments of market liberalism; if they are repeatedly discussed in a corpus of media texts, we may speak of a “media narrative about market liberalism”. There is also a third notion of a media narrative, which is based on relationships and causality. In that sense, it is akin to conceptions about paradigms and ideologies. Here we may speak of a media narrative – a set of ideas about relationships that emerge in a text – based on a particular view of how the world works. So, for instance, a media narrative that promotes interventionism may be one that validates an interventionist paradigm by endorsing or repeatedly referencing the tenets of that paradigm. This thesis considers the term narrative in terms of the second and third concepts.

Frame coding

Framing studies typically involve either issue-specific or generic frame types (Matthes 2009). Since regulatory discourse involves a multitude of issues, generic frame types were selected. Entman’s (1993) categories of generic media frames – problems, causes, solutions and moral judgments – provided a starting point for the types of frames which journalists and other actors use when discussing policy. For this research, two categories were added based on analysis by de Vreese, Peter and Semetko (2001). Citing various U.S. studies, they suggest that “news about politics and the economy is often framed in terms of conflict or in terms of the economic consequences of events, issues, and policies” (de Vreese, Peter and Semetko 2001, p.109). Thus, a six-frame taxonomy – made up of Entman’s four frame types plus conflict and consequences – was designed specifically to capture discourse about paradigms. Paradigms, as discussed in chapters one and two, are meant to provide a way of viewing and understanding problems and their causes, of addressing those problems and causes with solutions, of viewing conflicts, and of understanding the hypothetical ramifications of pursuing different solutions.

The unit of analysis was the individual sentence in each news article. Matthes (2009) notes that some studies use the individual proposition as a discourse unit, while others treat entire articles or news items as units. The latter approach was rejected as it would not allow for frames from multiple sources within an individual article to be captured. It also would only capture macro frames, as described above, whereas a study based on frame frequency relied on identifying micro frames.
A sentence could contain multiple frames, such as when a problem, its cause and its solution were discussed all in the same breath. The decision to code on a propositional basis and to use generic frames meant this type of framing methodology was among the rarest of those that feature in the literature. Matthes (2009) surveyed 131 framing studies in 15 journals between 1990 and 2005. Of those, only five coded frames in this way (the most common method treated the article as the unit of analysis and used issue-specific coding). Miller and Riechert (2001) argue for the importance of frame frequency, noting the ways that actors seek to gain support for their positions by offering new facts or altering the interpretive dimensions by which facts are to be evaluated. By coding in this way, this thesis can shed light on the degree of success these actors had in doing so.

Each frame was coded for frame type (problem, cause etc), source (type of actor), type of article (news versus feature versus opinion), salience (position within article) and paradigmatic alignment. This last criterion required some specialist knowledge. While this requirement makes the operationalisation of the method less straight-forward than some other content coding methods, it would be possible to devise detailed coding instructions that minimise error rates even for those without extensive knowledge about economics and policy.

Identifying paradigmatic alignment

Determining paradigmatic alignment required reference to the principles underlying each of the two generic paradigms. Chapter one, in charting the evolution of regulatory paradigms, referred to the notion of a sine curve phenomenon as the orientation of the dominant paradigm shifted back and forth between the state and the market. This suggests there are two opposing poles towards which these successive paradigms are oriented, one based on prioritising market competition in policymaking and the other on prioritising state objectives. Arguments for paradigms that are oriented in either direction are based on economic principles that economists and other policy advocates hold, and these principles then form the tenets of the paradigms.

One could go so far as to conduct an inventory of the various policy aims and prescriptions that are aligned with historical paradigms and then classify them in generic categories, either market-oriented or interventionist. The use of generic paradigms is a reductionist, binary approach, which has drawbacks in that it does not represent specific historical paradigms in their nuance and complexity. But it has the benefit of allowing one to classify mediated and unmediated texts in terms of their alignment with either paradigm category based on underlying principles, and in so doing lends itself to a quantitative method. To illustrate this concept, Table 3.3 below gives an idea of how a series of different policy aims can be categorised as aligned with one generic paradigm or the other.

Table 3.3 Examples of links between policy prescriptions and paradigms

Policy aims	**Paradigm**	**Rationale based on economic principles**
Unimpeded supply/demand process for the value of labour or capital	Market-oriented	Markets are designed to ensure nothing of value goes to waste, so this ensures they are self-correcting.
Progressive tax policy	Interventionist	The state can improve on free markets by allocating resources to areas that markets are not equipped to address, areas which, if developed, will benefit the wider economy.
Prudential standards for capital adequacy	Interventionist	Individual banks may be susceptible to a short-term focus on profit and may not be able to self-determine safe capital adequacy levels, creating systemic risk.
Full private sector discretion concerning remuneration practices	Market-oriented	Unhindered competition for labour in the private sector will result in the best ideas surfacing, leading to greater innovation.

In each of the case studies, I thus use the terms “interventionist paradigm” and “market-oriented paradigm” as generic descriptions of paradigms which embody the various principles of the paradigms described in this section.[48] It should be noted that these two terms may be somewhat misleading because both paradigms embrace capitalism in one form or another and hence both might be considered “market-oriented”. There is no question, for instance, that Keynes believed in many of the principles that Adam Smith had established and that Keynes favoured a version of economic liberalism. Here I would note that I chose the word “oriented” rather than “based” to suggest that the market-oriented paradigm was one that prioritised fostering market competition over other concerns.

The notion of a paradigmatic sine curve, however, does not provide clues about the length of the intervals between changes in direction, or the factors that may result in changes. Furthermore, as noted before, there are no standard measures for when consensus has been reached and shift has occurred. For the natural sciences, Kuhn refers to practitioners being attracted to a new paradigm because it is better at solving problems. The “practitioners” in the case of a regulatory paradigm in a high-salience environment go beyond the regulators who help formulate and implement policy; they include the politicians who agree policy legislation, voters who vote for those politicians, private sector actors who will be subject to regulation, and researchers who provide input and expertise during the policymaking process. Any measure that indicates consensus, ideally, would take all or at least most of these actor groups into account. It is worth noting that the “we are all Keynesians now” comment by Friedman referenced in chapter one was made in 1965, more than 20 years after Bretton Woods. Determining paradigm shift is not something that occurs in real time. That, however, does not prevent one from considering paradigmatic indicators at any point to see how they are lining up. In

[48] A key tenet of the market-oriented paradigm is the concept of the self-regulating market, as analysed in historical terms by Polanyi in *The Great Transformation* (1957). The idea of self-regulation within a market economy is in direct opposition to the interventionist/Keynesian idea that state action is required to steer the market in order to avoid societal harm that may result from unrestrained market competition.

that sense, a quantitative approach has distinct advantages in terms of affording a view of the state of play with a subject that is inherently fuzzy.

In order to facilitate coding, I drafted two narrative descriptions of generic interventionist and market-oriented paradigms, based on the principles discussed above and in chapter one:

> **Interventionist paradigm narrative**
>
> An interventionist paradigm questions the ability of the market to consistently self-correct in a timely fashion, leading to states of boom and bust. It holds that short-termism and herd mentality – as part of Keynes's ideas about "animal spirits" – can lead to problems if left unchecked. The paradigm views some societal problems as best suited to collective action by the state as they are not easily addressable by the market, at least not in a way that is fair to all members of society. An interventionist paradigm may rely on market mechanisms for some tasks but it calls for safeguards since information gaps may hinder the market's ability to identify emerging risks. It argues that the cost of safeguards is outweighed by the potential consequences of inaction. An additional moral justification is that the benefits of inaction would be enjoyed by a small group, while the consequences of inaction could be felt widely.
>
> **Market-oriented paradigm narrative**
>
> A market-oriented paradigm holds that the market is better equipped than individuals to determine value. It does this through constant self-correction, a property made possible because market verdicts reflect more information than those made by individuals. Hayek argues that markets are the best way to aggregate information dispersed among individuals, an idea that underpinned Fama's Efficient Market Hypothesis. The paradigm therefore holds that the state is susceptible to misdiagnosing problems and their causes due to incomplete information, potentially resulting in unforeseen consequences from state-designed solutions. It argues that allowing markets to dictate policy solutions is safer, and fairer, than allowing the state to do so. It calls for regulation to be limited to that which bolsters the integrity of the market. Any other interventionist restrictions run the risk of not allowing the market to perform its value-determination function.

What will be apparent in each description is that it refers to problems, causes, solutions, moral judgments and consequences; conflict can be seen in the way that each paradigm is presented in opposition to other views in the marketplace of ideas. The descriptions fit the definition of policy narratives that Shanahan et al. (2017) suggest because they treat the state, the market and the public as potential heroes, villains or victims. These narrative descriptions acted as touchstones throughout the coding process. Using them, I identified which concepts a frame relied on or emphasised in order to determine its alignment. In some cases, such as when a frame is offered by an actor other than the journalist author, the alignment may be explicit. In other cases, identifying the alignment may be implicit and require logical leaps.[49] In many other cases, a frame simply may not indicate alignment with any paradigm or it may be too ambiguous to tell. Furthermore, some frames may be able to be classified based on their relationship with other frames. For instance, a frame that stresses a negative consequence, where the consequence is the result of an interventionist solution, may be considered aligned with a market-oriented paradigm. Only frames that were clearly aligned with one paradigm or another were coded as such. In any cases involving ambiguity, they were coded as unaligned. Chapter seven, for example, includes discussion of a policy option involving the banning of corporate bailouts. The arguments for such a policy could fit within an interventionist paradigm or a market-oriented paradigm; or it could be unclear from the text.

The conflict frame type was used to classify all frames that were based on the idea of conflict among ideas or actors. They were generally easy to classify in that they drew attention to themselves by explicitly referring to conflicts, clashes or differences. These were automatically coded as unaligned in that the frame was not about the merits of one position or another but about the fact that there was a clash. In cases where those merits were discussed, that resulted in additional frames being identified and coded according to the paradigm they were aligned with. Measuring conflict framing, rather than illustrating paradigmatic alignment, could be used to highlight the degree to which there were divisions among actors.[50]

To summarise the coding process, each sentence in an article was scrutinised for framing that fit the six generic frame types chosen, with the possibility of more than one frame featuring within a sentence. Once a frame was identified, it was coded for its source, the paragraph placement within the article, and what paradigm it was aligned with, provided that a clear case for alignment could be

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[49] Examples of coding decisions and the rationales for reaching them are given in the case studies.
[50] Matthes (2009) notes that among those studies that rely on generic types, the conflict frame was the most frequently reported.

made. The unaligned category included cases where a frame either was clearly not aligned with one generic paradigm or the other, or where it was ambiguous based on the text.

A telescopic approach was taken with the news media sample whereby one media source, the *Washington Post* sample, was coded for all frame types to identify broad patterns among generic frame types. A second media source, the *New York Times*, was then added for closer analysis of certain individual frame types. This then could involve deeper analysis by considering sub-frame categories. For instance, cause and consequence frames could be broken down into types of causes and consequences. To identify sub-frame categories such as cause or consequence types, an inductive analysis was undertaken of the sample to determine the most common types of causes or consequences that appeared and to build taxonomies from them. These could also be cross-referenced with salient issues identified in Table 3.2.

The content analysis method generated a database containing 1,233 unique frames in the 216 articles, which could then be filtered by date, publication, article type, frame type, frame source, position in article and paradigmatic alignment. In addition, 642 sub-frames describing types of causes and consequences were identified and categorised. The data were analysed for patterns and correlations. Ideas for case studies were then developed based on those patterns.

3.3 Interviews with actors

Interviews with a range of actors were conducted in order to help explain the results of the content analysis and gain insight into some of the media production factors that may have accounted for them. I interviewed 21 actors, representing four of the different actor groups. This section will first provide basic details about the actors interviewed and then discuss the interview objectives and approach. For details on the interview subjects, see Appendix 3.

Journalists

I interviewed 14 journalists who worked at what earlier were described as elite news media organisations. These included national newspapers, international news agencies and major newspaper chains. All of them had covered the financial crisis and its aftermath. Most had covered the regulatory story as their beat, although the interviews included two general news reporters who only occasionally were involved in regulatory coverage. This allowed comparisons between specialist and non-specialist journalistic responses to some of the issues that arose in covering the story.

The journalists interviewed at the time of the crisis worked at Bloomberg, the *Financial Times*, Gannett, McClatchy, the *New York Times*, Reuters and the *Wall Street Journal*. Some of them now work for other elite news organisations, including Dow-Jones, Politico, *USA Today* and the *Washington Post*. The interview group represented a cross-section of journalists recognised by their peers as having the highest standards in the field; among the interviewees were one Pulitzer Prize winner and two Pulitzer Prize finalists.

Think-tank authors

Four think-tank authors were interviewed, two from Brookings Institution and two from American Enterprise Institute (AEI), representing a range of views along an ideological spectrum. Groseclose and Milyo (2005) ranked think tanks and other policy groups ideologically based on the ADA scores[51] of legislators who cited them. Brookings, with an average ADA score of 53.3 for its citations in the Groseclose and Milyo study, was near the centre of the ideological range. By comparison, AEI, with a

[51] Groseclose and Milyo used a scoring system developed by Americans for Democratic Action to determine the relative ideological position of legislators. This method is one of the common measures of political ideology used by political science scholars (see Bishin 2003).

score of 36.6, was strongly right-leaning. All four of the interviewees were authors of works that featured in the review of think tank literature, meaning they had been directly engaged in the post-crisis regulatory debate.

Corporate actors

Two private sector figures were interviewed. One, who requested anonymity, was a communications strategist who represented financial industry firms during the post-crisis period. A second interview was conducted with an industry lobbyist who represented business interests affected by Dodd-Frank legislation. Both interviewees had experience dealing with news media during the post-crisis period.

Public advocacy actors

I interviewed Heather Booth, who was the director of AFR throughout the period covered during this study. Booth, who was a prominent activist for progressive causes before the crisis, had been interviewed by news media throughout the period under study. She had extensive experience as both a media strategist on behalf of the causes she has represented, and as a subject of media attention.

Interview objectives and approach

The interviews had two objectives. The first was to contextualise the results from the content analysis (Jick 1979). To the extent that certain framing patterns were seen in the data, I wished to see whether actors had similar observations about the post-crisis discourse based on their own experiences. None of the interviewees was provided with any data before, during or after the interviews in order to ensure that their answers were not prejudiced by the results. A second objective was to gain insight into media production factors that might account for the framing patterns. Comments from the interviews were coded according to frames, issues, actor group and media production factors to determine which views were germane to which case studies.

A semi-structured interview approach was taken. “The semi-structured interview involves prepared questioning guided by identified themes in a consistent and systematic manner interposed with probes designed to elicit more elaborate responses.” (Qu and Dumay 2011, p.246). The prepared questioning differed according to the actor type. Journalists were asked to describe their experiences covering the regulatory story, focusing on the causes of the crisis, the moral dimensions of the crisis and of regulation, and the consequences of regulatory solutions. They were probed for their own views about those issues and/or how they treated comments from sources who spoke about them. This generally led to broader discussions about their professional practice.

The initial questions were based on the case studies and the overall research design of the thesis, which is discussed in section 3.4. Think-tank authors, corporate actors and the one public advocacy campaigner were asked to describe the media narratives that they observed and to recount their own experiences with news media. In using a semi-structured approach, I was able to ask follow-up questions whenever answers pointed to factors that involved media production.

Zhang and Wildemuth (2009) note that gaining trust and establishing rapport is essential to the success of unstructured interviews.[52] In the case of interviews with journalists, I sought to do this by making them aware of my own background as a former journalist with elite media organisations (Bloomberg from 1990-1992 and Reuters from 1992 to 2012) in order to let them know that I was familiar with the conventions, demands and constraints involved in the job. I gave all interviewees a vague outline of the research aims, noting that given the time that had elapsed since the crisis I was

[52] Qu and Dumay note that interview approaches fall along a spectrum from structured to semi-structured to unstructured; in that sense, the observations by Zhang and Wildemuth may be seen to apply to both semi-structured and unstructured interviews.

focused on their impressions as well as any specific illustrative incidents they could recall. In all cases, I stressed the non-normative aspect of the research, in that I was striving to approach the subject without pre-conceived ideas about how media should have performed or why. During interviews, I refrained from offering judgments about any normative comments that interviewees made. While recognising that complete objectivity is not possible (and that I had worked in the industry I was investigating), I tried to adopt a journalistic standard of objectivity, wherein my job was to suspend any personal views about the subject during the interview process and to focus on eliciting as much information as possible.

All interview subjects were informed that their comments potentially would be used in the thesis. They were offered the opportunity to take part on an anonymous basis and to review their comments before any were included, in order to check for accuracy and to provide an opportunity to elaborate on comments they had made. Throughout the project, their comments were not shared with any other participants. These steps were intended to address any reputational risk to the interview subjects from taking part. No other ethical issues were identified for interview subjects (see Allmark et al. 2009).

This is speculative, but I believe the reputation of Reuters as a non-partisan news organisation with high standards, and my long association with it, may have helped me gain trust among many of the interviewees.[53] A downside of my background, having reported on financial news for many years, is that it may have prejudiced me against asking basic questions about journalistic workflow that could have elicited more information about media production. On the other hand, I believe my knowledge of the subject matter and experience as a journalist allowed me to have in-depth conversations about often highly technical matters related to the regulation.

[53] Media Bias/Fact Check has consistently rated Reuters in its “least biased” category and the agency was found to be one of the most trusted news providers in a major 2017 project (Kearney 2017).

3.4 Case studies, research design and methodology limitations

Based on the results of the quantitative content analysis, three post-crisis case studies were chosen. They were organised around frame types and regulatory issues. Cause frames and consequence frames operate in similar fashions in that they invite the audience to accept a causal connection between events or factors at one point in time and another, the only difference being that for consequence frames the second point in time is in the future. In the case of both, I was aware, during the research design phase, of intense debates among actors as to what had been the chief causes of the crisis and what would be the likely consequences of regulatory solutions. These debates are fundamental to the nature of paradigm contestation, in that paradigms are essentially predictive models based on causal relationships. Moral judgment frames stood out as being the least employed among the frame types, and therefore worthy of attention due to the scale of the impact of the crisis. In addition, a pre-crisis study, which was much shorter and more limited in scope, was carried out to provide a benchmark against which the results of the post-crisis case studies could be compared.

In focusing on three frame types – causes, consequences and moral judgments – I sought to develop a complex picture of the differing ways that mediated and unmediated discourse characterised a broad variety of regulatory issues. Notably, none of the case studies focused on solutions. This was by design. The overall focus of the project, Dodd-Frank, was a regulatory solution and as a result, virtually all news stories that discussed the law featured numerous solution frames. By focusing on the framing that coloured Dodd-Frank (causes, consequences and morality), as opposed to solution framing itself, the project was able to build a more multifaceted picture of views, ideas and biases (either conscious or unconscious) that related to financial policy paradigms.

Cast study 1 – Pre-crisis coverage: The repeal of Glass-Steagall

This brief case study focused on news coverage and actors' discourse concerning the repeal of key provisions in the Glass-Steagall Act, a Depression-era regulatory law that was dismantled in 1999 in order to further liberalise financial markets. Coming nearly a decade before the crisis, the repeal marked a significant regulatory event. As such, news coverage of it offered a comparison for determining the degree to which discourse changed in the post-crisis period. The study involved analysis of the dominant frames and narratives in six months of coverage by the *New York Times* and the *Washington Post*.

Case study 2 - Crisis causes

This case study focused on debate surrounding the cause of the crisis. It considered the narratives different actors sought to promote in making a case for what had led to the events of 2008. Cause framing takes on a critical paradigmatic function in that agreement on the causes of a complex event can set parameters for potential solutions. The case study examined how different narratives were each aligned with either an interventionist or market-oriented paradigm. It considered a number of issues that were cited as crisis causes, focusing in particular on government policy towards housing.

Case study 3 - Morality

This study considered the limited attention that both news media and the academic and think-tank community gave to questions of morality with regard to the crisis. It focused in particular on the morally charged issue of executive compensation and how that was written about in coverage of the regulatory response. The moral dimensions of the crisis generated strong feelings with the public but prompted a complex response from journalists, as they balanced professional concerns with their sense of audience expectations.

Case study 4 – Consequences of regulatory responses

The fourth case study looked at how actors framed the potential impacts that regulatory solutions would have. The study explored sub-frames by looking at the different types of consequences which actors had predicted. In particular, the study focused on debate surrounding the idea of too-big-to-fail (TBTF) institutions and government bailout policies in the context of consequence framing. A critical division was observed between those who focused on the economic costs of regulation and those who were concerned about the systemic risk from not taking adequate steps.

Each post-crisis case study arrived at findings about the news media framing patterns and how they correlated with the positions of other actors, addressing RQ1 and RQ2. Each then supplemented those with theories about production factors based on comments from the interviews, addressing RQ3. Conclusions were drawn based on the combinations of findings related to all three research questions.

Methodology summary, alternatives and project limitations

The thesis is based on a multiple-stage, mixed methods methodology. At its centre is an original method for quantitative framing analysis that is designed to quantify paradigmatic alignment, while allowing for detailed analysis according to different criteria. The overall methodology can be illustrated in flow chart form (see Figure 3.3). The chart's sequential nature does not mean that all tasks in a given area were carried out in precisely that order; there was some overlap. For instance, the coding of news articles and analysis of the sample of think tank reports was completed before any interviews began; but some of the more detailed content analysis for each of the case studies was still being performed during the interview phase. The purpose of the chart is to show how each area of activity led to and informed the work for the next, and to give an illustration of how all of the different elements of the research fit together.

Figure 3.3 Flow chart of thesis methodology

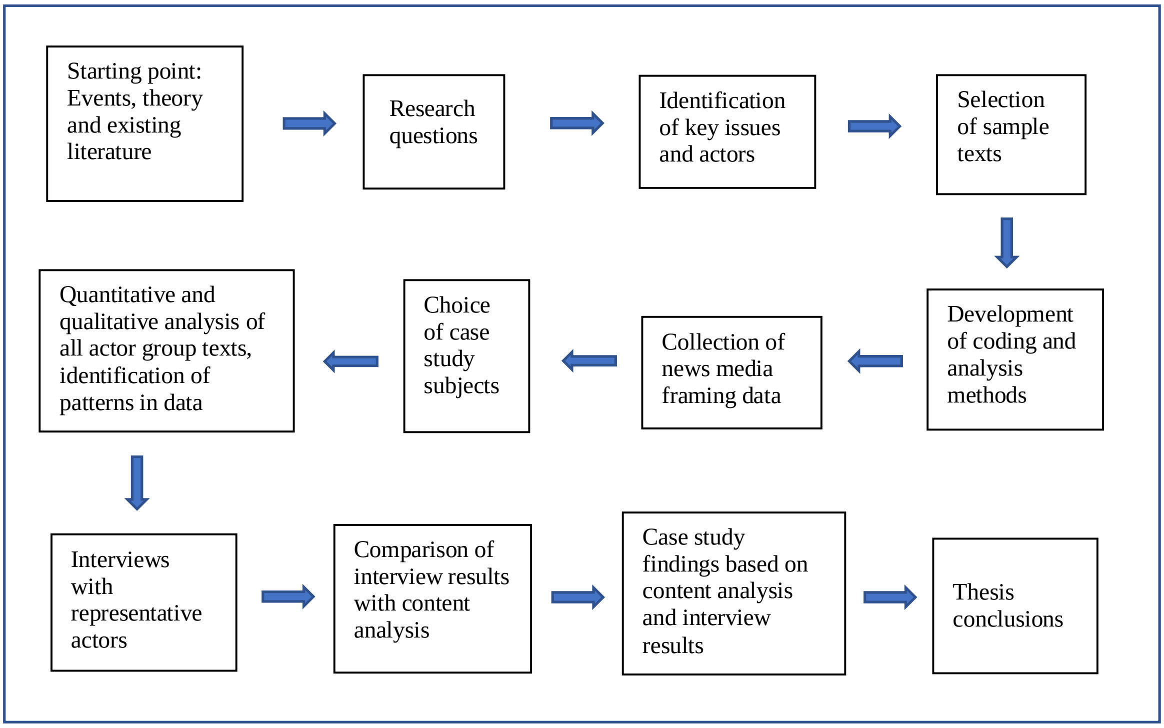

Figure 3.3 shows the methodological steps taken from the conception of the project through to the thesis conclusions. The stages are broadly in chronological order.

In choosing these methods, I opted not to pursue a strictly qualitative approach such as Discourse Analysis (DA) or Critical Discourse Analysis (CDA). Such approaches could have afforded a more interpretive, and arguably deeper, examination of the frames and narratives that featured in the post-crisis news coverage, one that could have related them to wider societal structures and power relations. CDA and similar methods had two drawbacks for my research. Firstly, the subjectivity of the analysis would negate any possibility of postpositivist claims of knowledge. My own starting point was that questions about paradigmatic discourse called for some effort to look beyond my own interpretation of events and texts, particularly given my background as someone who had worked extensively in the industry that I was studying. Secondly, I felt that an exclusively qualitative approach would not speak to the research questions in a direct and authoritative fashion.

At the same time, it is important to acknowledge that the project carries limitations of its own. In line with a general tradition within postpositivism, I view any suggestion of total objectivity as impossible.

Furthermore, the interpretive decision-making necessary to identify and categorise frames and their paradigmatic alignment involves a degree of subjectivity that could not be avoided in this methodology. The scale and operationalisation of the project to some extent mitigates those risks. In carrying out nearly 2,000 separate instances of frame analysis on a large body of texts over an extensive period of time – and not knowing for most of the time what those individual analytical exercises would add up to – I have reduced the scope for any individual instances of miscoding (either through error or my own ideological makeup affecting random interpretations of texts) to skew the overall data. In other words, I would have needed to have systematically brought some ideological component of my own into the coding process to have affected the aggregate data in a meaningful way. The operationalisation, I believe, thus tilts the project more towards some degree of objectivity, insofar as objectivity can be considered a matter of degree.

This points to a separate limitation, which concerns the representative qualities of the project's source texts. The news media sample I have studied, while sizeable, still accounts for only a sliver of news media output about financial regulation. The two publications' status among elite news publications, and the inter-media agenda-setting function which comes with that status, does mean they potentially represent a larger section of the media landscape than they themselves occupy. But it is important to acknowledge this limitation as a caveat when drawing conclusions. Similarly, the texts chosen to indicate the positions of other actors, in constituting a smaller and more varied volume of content, carry a greater risk of not being representative. As noted earlier, I have sought to mitigate this by generally choosing texts and sources which have some representative quality (e.g. the Congressional Record) and/or by taking a systematic approach to their review, such as the investigation of every Congressional appearance by a representative financial industry association over the sample period.

There is no methodology that is without its risks and limitations. The one presented here is designed to address the research questions posed, while recognising and trying to mitigate those risks and limitations wherever possible.

Chapter 4

A pre-crisis baseline: How elite news media covered the repeal of Glass-Steagall

The bulk of the analysis in this thesis concerns behaviour after 2008. As outlined in chapter three, there are three case studies that aim to gauge the degree to which elite news coverage either reinforced the pre-crisis paradigm or embraced paradigm shift with regard to financial regulation; to do this, they consider some of the framing and news narratives that were produced and compared those aspects of the texts with unmediated communication from other actors. Each of the case studies is based on analysis of a nearly three-year sample of articles in the *New York Times* and the *Washington Post* related to the introduction and enactment of the Dodd-Frank Act, with passages in the articles coded to identify different types of news frames and how these aligned with either a market-oriented paradigm or an interventionist paradigm. In order to consider the broader question of the paradigmatic orientation of news media, however, it is not enough to examine media behaviour solely after the crisis. It is also necessary to gain a sense of how regulatory news coverage characteristics may have changed as a result of the crisis, in order to put the post-crisis case studies' results into perspective. That calls for an examination of how these two news organisations behaved before the crisis. This brief chapter provides such an examination, offering a baseline against which the results of the content analysis discussed in chapters five, six and seven can be compared.

Chapter one described the dominant paradigm leading up to 2008 as one that held that financial markets were largely self-regulating and needed minimal oversight by the state. This paradigm, which had begun its ascendency in the 1970s, called for deregulation wherever possible and practical. It saw the "invisible hand" of the market as being the best way to determine value thanks to the marketplace's unrivalled capacity for absorbing and aggregating information. To the extent that the news media plays a role in paradigm contestation, we should therefore expect to see evidence of an embrace of a market-oriented paradigm underlying news coverage of pre-crisis regulatory matters.

This chapter will examine coverage of a significant regulatory event nearly a decade before the crisis, and will show that both the *New York Times* and the *Washington Post* wrote about financial regulation in ways that underscored broad acceptance of a market-oriented paradigm. It does so by considering coverage of the passage of the Gramm-Leach-Bliley Act of 1999. The Gramm-Leach-Bliley Act repealed a number of Depression-era regulations that had been introduced as part of the Banking Act of 1933, more commonly known as the Glass-Steagall Act. Gramm-Leach-Bliley arguably represented the most far-reaching regulatory change in the United States since the New Deal (Hendrickson 2001). The chapter offers evidence that articles consistently framed old regulations as being overly restrictive and outdated[54], while touting the benefits of deregulation.

Six months of articles in the *New York Times* and the *Washington Post* were reviewed. The sample period comprised five months leading up to the new law and one month that followed. The sample was based on a search of articles that contained "Glass" and "Steagall"[55]. This produced 19 items in the *New York Times* and seven items in the *Washington Post*. Of these, four *New York Times* articles contained only a passing reference to Glass-Steagall and featured no text about policy; as a result, they were omitted from the sample. Of the remaining 15, there were 11 news stories, two market

[54] Schiffrin (2011), without going into detail, also observed this tenor in the coverage of the repeal of Glass-Steagall, noting a common description of the old law as being outdated.

[55] This search string was chosen rather than a wider search that would have included references to Glass-Steagall or to Gramm-Leach-Bliley; the choice was made on the view that articles referencing Glass-Steagall were more likely to discuss what it was that was being repealed.

reports, an editorial and a news round-up digest. The *Washington Post* sample featured five news items and two op-ed pieces. The amount of regulatory news coverage in this period was dwarfed by what occurred after 2008, but it nonetheless shows that the story received attention.

The analysis is intended to offer a snapshot of how elite news media wrote about financial regulation in a way that aligned with the market-oriented paradigm that was dominant at the time. The review used the framing methodology developed for the 2009-2012 sample in terms of identifying frames and their paradigmatic alignment. But given the small size of the sample, coding at a sentence-by-sentence level was not undertaken. Instead, the analysis focused on identifying competing paradigmatic narratives and locating key frames in each article that supported those narratives.

Rationale for focusing on Glass-Steagall and Gramm-Leach-Bliley

The Gramm-Leach-Bliley Act was enacted on 12 November 1999. Barth, Brumbaugh and Wilcox (2000) describe the law as one that widened the range of activities banks and their holding companies could conduct, in particular by allowing single holding companies to offer banking, securities and insurance, "as they had before the Great Depression" (Barth, Brumbaugh and Wilcox 2000, p. 191). Gramm-Leach-Bliley has generally been characterised as an act of deregulation, both in post-crisis scholarship and in contemporaneous or near-contemporaneous accounts (John 1999; Hendrickson 2001). As discussed in chapter one, the Glass-Steagall Act required, among other things, that commercial and investment banks be kept separate. It thus introduced a buffer in the event of any systemic risk events that threatened the banking industry.

Gramm-Leach-Bliley was the culmination of years of efforts to repeal Glass-Steagall. Despite a growing consensus throughout the 1980s and into the 1990s that deregulation offered economic benefits, there was still opposition in the latter decade to major regulatory policy change. The legislative process was marked by jockeying among different segments within the private sector

(Hendrickson 2001). For instance, small banks were opposed to Glass-Steagall reform for fear that it would pave the way for large banking conglomerates to run them out of business. Securities firms, on the other hand, wanted to expand into commercial banking and favoured the reform effort. Insurance firms were concerned about the possibility of increased competition from commercial banks. The insurance sector ultimately was won over by provisions that would restrict bank holding companies to selling insurance products only in their home states. By 1998, Hendrickson wrote, the only group left opposing the repeal were small bankers.

Gramm-Leach-Bliley has been described by some scholars as a contributing factor in the crisis of 2008. Bordo (2008), citing Eichengreen (2008), argues that rapid growth of the non-bank sector after the millennium was a consequence of the repeal of Glass-Steagall, noting that these institutions held lower capital ratios than traditional commercial banks and were more prone to risk. “When the crisis hit they were forced to engage in major deleveraging involving the fire sale of assets into a falling market which in turn lowered the value of their assets and those of other financial firms.” (Bordo 2008, p. 11). Bordo also said a similar negative feedback loop had been observed during the Great Depression. Grant (2010) examined the deregulatory impact that Gramm-Leach-Bliley had on two major banks and made a case for reregulation in the wake of the financial crisis.

Wallison (2011), on the other hand, pointed out that Gramm-Leach-Bliley only repealed parts of Glass-Steagall and he held that the deregulation of 1999 was not a cause of the 2008 crisis. Crawford (2011) reviewed arguments that had been made both for and against repealing Glass-Steagall and considered post-crisis comments from some prominent figures who had pushed for Gramm-Leach-Bliley; a number of bankers, for instance, expressed regret over the deregulation in light of the crisis. She concluded, however, that the question of whether the repeal of Glass-Steagall had helped cause the crisis could not be answered definitively and that arguments on both sides were compelling.

The question of whether Gramm-Leach-Bliley played a significant role in leading to the 2008 crisis generated extensive academic discussion. But there is a different rationale for using it here. It is based on the legislation's suitability as a high-profile example of a regulatory news story, one that concerned issues that were unambiguously paradigmatic in nature. The repeal came nearly a decade before the 2008 crisis, meaning there was a clear separation in time between the events. It also came when, according to the historical accounts discussed in chapter one, the consensus in policy circles and society at large was for a market-oriented paradigm. As such, the discourse surrounding this event could be expected to be reflective of this dominant pre-crisis paradigm.

A narrative emerges

A broad picture of support for a market-oriented paradigm emerges from the news coverage in the six-month period surrounding Gramm-Leach-Bliley's passage. In narrative terms, this picture portrays the banking industry as an economic hero, one aided by most state actors but opposed by special interests or those state politicians who lacked the wisdom to see the benefits of deregulation. As such, the narrative paints restrictions on bank activity as a problem, one whose cause is old-fashioned thinking. The solution to this problem is sweeping deregulation, which is needed to clear away the barriers to progress that resulted from outdated notions; in fact, a broom metaphor recurs in the texts. Provided deregulation occurs, this narrative holds that prosperity will follow; and if state politicians are too blind or too timid to enact reforms, economic damage can be expected.

In line with the methodology outlined in chapter three, this narrative description features a number of frame types, so the content analysis was focused on identifying those frames. The sample consistently framed Glass-Steagall as a problem, one whose consequences were high costs. It characterised the old regulation as of a different time, one that was no longer suitable to the modern world. Conversely, Gramm-Leach-Bliley was framed as a solution, one whose consequences were beneficial in the form of increased banking activity and economic prosperity.

In treating Glass-Steagall's restrictions as a problem frame, news articles frequently alluded to the cause but they did so in a way that minimised references to the original rationale for the regulation. For instance, they routinely referred to Glass-Steagall as being crafted for another time. The terms "Depression" or "Depression-era" featured 17 times in the *Times* sample and six times in the *Post* sample. One message that could be taken from these references was that this legislative effort concerned something important because the old law had been in place for a long time. But another message was that the world had moved on.

In a 1 July 1999 article on the start of debate over the bill to replace Glass-Steagall, the *New York Times* referred to the old law as "legislation rooted in the nightmarish experiences of the Depression" (Labaton 1999a). Emphasising this idea that the world had moved on, the article quotes an insurance industry association official saying: "It's because the market has advanced to such a degree that everyone has decided it's in their interests to have this bill." The next day, when the House of Representatives voted overwhelmingly in favour of the bill, the *Times* led its article by referring to the prospective removal of the last "remnants" of regulation from this earlier era (Labaton 1999b). Over at the *Post*, a change in the law was described as inevitable because of "decades of economic change that had made the old rules outdated" (Day 1999a).

In framing Glass-Steagall as a problem, the newspapers went further than referencing the cause frame of old-fashioned thinking. For instance, in an article on 12 October, the *Times* wrote of legislation that would "tear down the Depression-era barriers" (Labaton 1999c), presenting the solution frame in approving terms and using the more negative problem frame of "barriers". The barrier reference was included again three days later, with an important extra element. On 15 October, the *Times* referred to "the repeal of the Glass-Steagall Act of 1933 and other barriers to competition" (Labaton 1999d). To see how this framing Glass-Steagall as a problem aligns with a market-oriented paradigm, one can consider the notion of capitalism's creative destruction that Schumpeter (1942) had described. Creative destruction was the result of free market competition and, as discussed in chapter one, the market-oriented paradigm favoured by Hayek, Friedman and other neoliberal proponents called for reducing barriers to competition wherever possible.

When cause frames did refer to the original rationale for separating commercial and investment banking activity, it was done in vague terms. There were two exceptions to this observation in the news reports. The *New York Times* article on the passage of Gramm-Leach Bliley contained four paragraphs (within a 32-paragraph article) that focused on systemic risk and voiced the views of those warning of the dangers (consequence frames) from undoing the regulations. A second exception came in a *Washington Post* article days before the passage of the law. It referenced two systemic risk-based rationales for Glass-Steagall, one concerning the sale of securities and the other concerning interest rate competition for savings products (Day 1999b). But the *Post* article added that economists no longer believed the two practices in question had caused the 1929 crash or the Great Depression, suggesting that Glass-Steagall had been built on false assumptions.

The frame type that appeared most strikingly in the coverage was the consequence frame, and it was mostly used to depict the economic benefit from unleashing the potential of banks, or conversely the economic cost from not doing so. In the 1 July 1999 article, the *Times* wrote of the "sweeping deregulation that would make it easier for banks, insurers and securities companies to enter each other's businesses" (Labaton 1999a). A *Times* article on 2 July 1999 article on the House approval noted how Glass-Steagall could make it "prohibitively expensive" for affiliations between investment banks, commercial banks and insurer (Labaton 1999b). The *Washington Post*'s coverage on 31 October 1999 reported on lobbyists selling the bill's benefits in terms of creating jobs, increasing competition and helping consumers; it also highlighted Treasury officials' view that the legislation would make the industry more efficient and save it an estimated $15 billion a year (Day 1999b). When Gramm-Leach-Bliley was approved on 5 November 1999, the *Times* lead focused on the benefits that a less restrictive policy would bring:

> Congress approved landmark legislation today that opens the door for a new era on Wall Street in which commercial banks, securities houses and insurers will find it easier and cheaper to enter one another's businesses. (Labaton 1999e)

The article quoted the Treasury Secretary saying how American companies would be better equipped to compete in the new economy.

Often the frames were used in conjunction with each other, such as in a 24 October 1999 op-ed piece in the *New York Times*. In endorsing the proposed law, the *Times* wrote:

> Legislation agreed to by the White House and the Republican leadership will sweep away the Depression-era curbs that have kept banks, securities firms and insurance companies from moving into one another's arenas. The proposed deregulation is designed to help American companies expand abroad and become more efficient at home. (*New York Times* 1999)

The legislation in this case is the solution; the Depression-era curbs refers to both the problem and its cause; and the help that American companies will receive is the consequence. Notably, this image of a broom sweeping came up five times in the *New York Times* sample, amounting to once in every three articles. The metaphor emphasised the outdated nature of the old rules that were being swept away.

An alternative narrative

Gramm-Leach-Bliley was approved in the Senate by a vote of 90-8 and it passed the House of Representatives by a vote of 362-57. (Office of the Clerk of the U.S. House of Representatives 1999; United States Senate 1999). Those tallies underscored the political consensus around repealing the old law. It had strong support from the corporate sector, with only the limited opposition coming from small banks mentioned earlier. The bill was similarly supported by the regulatory community, which had been receptive to efforts over the years to interpret Glass-Steagall loosely so as to allow more financial services activity. Greenspan, as chairman of the Federal Reserve, explained the central bank's position in a speech just after the legislation's passage:

> It is clear that the consumer will benefit from the wider permissible scope of activities by, and the more equal competition among, financial entities. That is why the Federal Reserve actively supported this legislation for so long. (Greenspan 1999)

The legislative effort had been held up by a number of conflicts – such as provisions for minority lending or questions about customer privacy – and these were the focus of a large portion of the reporting. But the main deregulatory substance of the bill was generally discussed, by almost all of the actors quoted, as a settled matter. In such an environment, it is thus not surprising that news media offered a narrative that reflected the dominant market-oriented paradigm of the day.

This is not to say that an alternative narrative was not available. As the *Times* coverage on the day that Gramm-Leach-Bliley passed makes clear, there were voices that called for at least elements of a more interventionist paradigm. The *Times* highlighted, in the top third of a lengthy article, that there had been “a handful of dissenters” who drew attention to the question of systemic risk. One of those dissenters turned out to be eerily prescient, at least for those who would later argue that repealing Glass-Steagall had fuelled the crisis:

> "I think we will look back in 10 years' time and say we should not have done this but we did because we forgot the lessons of the past, and that that which is true in the 1930's is true in 2010," said Senator Byron L. Dorgan, Democrat of North Dakota. (Labaton 1999e)

Another Democrat, Senator Paul Wellstone, was quoted saying Congress had "seemed determined to unlearn the lessons from our past mistakes" (Labaton 1999e), calling Glass-Steagall a stabiliser that had insulated commercial banking from other forms of risk.

In this alternative narrative, which is aligned with an interventionist paradigm, the problem frame is systemic risk, with financial industry greed acting as the cause and the retention of prudential regulation as the solution. The *Times* article includes this narrative, but it also undercuts it. The piece goes on to quote people treating the risks as overblown and touting the promised benefits of the new law. Furthermore, these two comments represented the only substantial objections to the plan to deregulate in the *Times* sample, apart from issues such as lending to the poor or customer privacy.

Apart from one op-ed article, the *Washington Post* sample also does not seriously consider the systemic risk consequence frame. It references consumer groups that are concerned about the prospect of financial concentration because they see it negative for consumers and they question whether savings will be passed on. But the *Post* articles do not entertain the possibility that the original rationale for Glass-Steagall had any remaining merit in terms of preventing systemic risk. The *Post* suggested that because industry had already found ways to work around Glass-Steagall, the new law in some ways did not represent a significant change for ordinary people. An article on 23 October 1999 thus characterises the change as partly cosmetic: "For consumers, the disappearance of familiar names in a wave of mergers will be the most immediate effect of the bill." (Day 1999a).

There was one article in the *Washington Post* sample that did seriously consider systemic risk, but it was an opinion piece from a contributor. Robert Kuttner, the co-founder and co-editor of *The American Prospect* [56], suggested that Gramm-Leach-Bliley was pushing in both directions, deregulating the system while at the same time reregulating it. Kuttner, like the dissenters quoted in the Times, highlighted systemic risk. He noted that Glass-Steagall had been a response to speculative excesses in the 1920s. And, as with Senator Dorgan, his words could be seen as prescient:

> Without government as backstop, our financial system would fall victim to its own speculative impulses. And given that government has to play rescue squad, government also has to set limits on speculation in the first place, lest the taxpayers go broke underwriting bailouts. (Kuttner 1999)

But otherwise, the *Washington Post* sample was silent on the question of risks stemming from striking off a law designed to prevent risks,

Conclusion

It is tempting, with the benefit of hindsight, to focus on these examples where actors seemed to anticipate the crisis. By highlighting them as lone, brave voices, they serve as reminders that most

[56] The magazine describes itself as devoted to promoting "informed discussion on public policy from a progressive perspective" (*The American Prospect* 2020).
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people had not considered the risks they were potentially taking on. This reading, however, requires an acceptance of the argument that Gramm-Leach-Bliley was in fact a contributing cause to the crisis. As already discussed, this view is in dispute. More importantly, the purpose of reviewing the news coverage surrounding the repeal of Glass-Steagall is not to present a normative case regarding the benefits of an interventionist paradigm or to critique newspapers for not devoting more attention to the issue of systemic risk. Rather, the idea here is simply to gauge the degree to which a market-oriented paradigm was widely accepted and had broadly set the terms for news coverage.

The strength of the market-oriented paradigm in the late 1990s can be seen in a variety of indicators. One, which was referenced in chapter one, was a long-running question that Gallup asked as to what people saw as the biggest economic threat to the country in future (Gallup 2013).

Figure 4.1 Time series of Gallup question on the nation's top economic threat

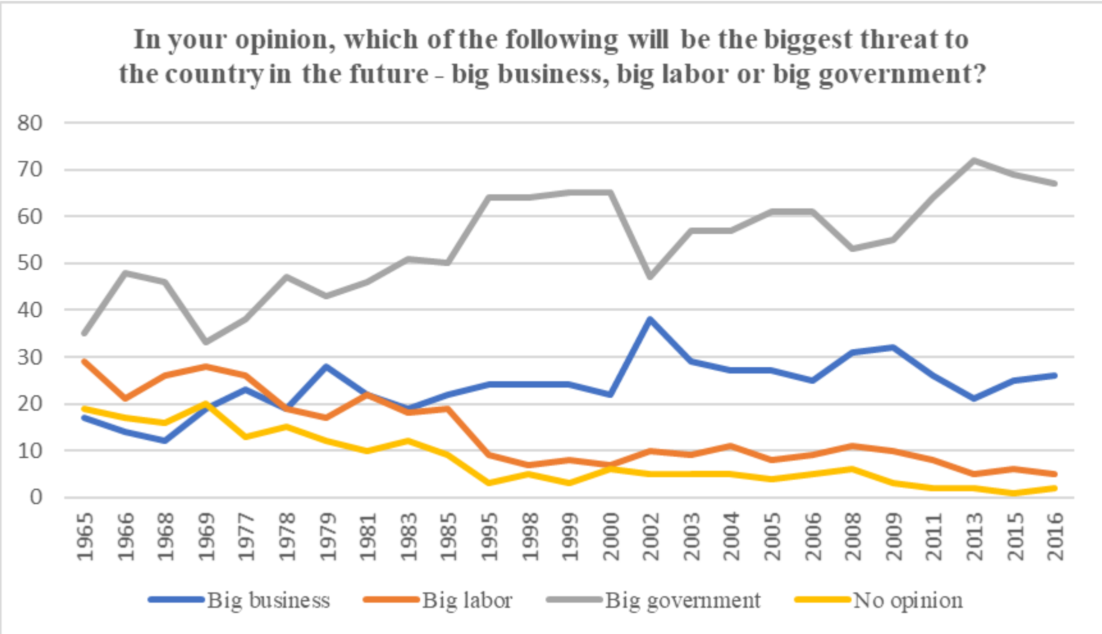

Figure 4.1 is based on data taken from Gallup (2013). It shows the percentage of respondents, over time, who selected one of three choices or had no opinion as to what constituted the greatest future economic threat to the country.

In 1999, "big business" was seen as the nation's biggest future threat by 24% of those surveyed, while "big government" was seen as the biggest threat by 65%. In other words, respondents appeared to be far more comfortable with the notion of businesses and the market dictating affairs than with the government.[57] The size of that discrepancy, at the time, was the widest it had ever been.[58] As the 20th century drew to a close, Reagan's message that government was not the solution but was the problem clearly had become ingrained.

In consistently presenting Glass-Steagall as a problem and deregulation as the solution, the newspapers promoted frames and advanced narratives that supported the dominant paradigm of the day. It was not so dominant as to prohibit the consideration of any other viewpoints. But those viewpoints were marginalised and dismissed by a parade of other actors who focused on the benefits that deregulation would bring. Such an environment is in keeping with the scenario Hall, P. (1993) described for how a dominant paradigm can act as a prism for policy.

One final point bears noting with regard to Gramm-Leach-Bliley. While the legislation did attract news coverage, the issue of financial regulation at the time had relatively low salience, even for those who might be thought of as having a clear interest in Wall Street developments. Campbell (2010) noted that a Gallup poll taken in 1999 of Americans who had at least $10,000 in investable assets showed only two-fifths had heard of the repeal of Glass-Steagall. The journalists who covered the legislation frequently used dramatic language. They wrote of how it would "remake" and "overhaul" the country's financial system; they used terms like "sweeping" and "a new financial era". But for all that, even Americans with money to invest were not paying much attention to financial regulation. A decade later, they would be.

[57] As discussed in chapter one, the use of polling data has been critiqued from an epistemological perspective; the use of the data here is as an indicator of discourse and is not intended as conclusive evidence as to the state of public opinion at the time.

[58] The gap narrowed sharply after corporate scandals such as Enron and a number of dot-com failures in the early 2000s. It narrowed in a less pronounced fashion after the crisis of 2008, although it widened again to its largest levels in the years after Dodd-Frank.

Chapter 5

Framing the past: The financial crisis blame game

Hundreds of studies have considered public discourse surrounding societal problems by looking at how underlying causes and solutions – either proposed, agreed or implemented – were framed in news media.[59] The motivation for promoting cause frames often relates directly to solution framing. If actors are successful in establishing a narrative about the causes of a problem, that may not guarantee them success in gaining support for a given solution. But if an audience can be persuaded about what led to a problem in the first place, it stands to reason that they will be more predisposed to solutions that appear designed to address those root causes. Apart from the technocratic goal of understanding what went wrong in a given situation, we can think of cause narratives in discourse terms as solution priming for the public.

That notion is predicated on the possibility of media effects resulting from those narratives; but as noted in chapter three, understanding which narratives dominate coverage also sheds light on media production and the agenda-building efforts that influence it. When it came to the financial crisis, political actors, independent elites, public advocacy campaigners and the financial industry all worked hard to establish their chosen narratives about what led to the crisis. A question which this chapter

[59] Within the space of a few months in 2019 alone, research that examined cause and solution framing in media included studies on Indian air pollution (Bhalla, O'Boyle and Haun), climate change (Pan and Opgenhaffen), sex trafficking (Sobel, Friedman and Johnston), humanitarian crises (Kogen), food safety (Kim, Jang and Noh), opioid addiction (McGinty and Kennedy-Hendricks), internet addiction (Jiang), and medical implants (Maniatopoulos, Hopkins and Joyce), to name but a few. This was based on a search on Google Scholar of the terms "causes solutions news media" since 2019.

considers, then, is how news media wrote about the causes of the crisis, and how that contributed to a narrative in support of one policy paradigm or another.

Three narratives about the causes of the crisis

Many of the actors who publicly opposed a paradigm shift in how financial markets were to be regulated took one or both of two broad routes in talking about the causes of the crisis, based on a review of think tank literature and the news media sample analysed here. The first route was to make the general case that adding to the government's regulatory power would be a mistake because either a) regulators had already proven unable to identify the correct causes, or b) the causes that were identified were not the sort that could be addressed through regulation. This argument was partially based on the idea that concentrating power in the hands of a finite number of decision-makers (in this case legislators and regulators) was inferior to allowing a free market to pick winners and losers. As Baily and Elliott of Brookings Institution wrote early in the regulatory debate, in a summary of those who took this position, "Regulators are human and prone to errors and if sophisticated market participants fail to see bubbles in the making, how can we expect regulators to see them?" (Baily and Elliott 2009). The critique was not just about passivity, i.e. about a failure to take preventative measures. Those who argued against adding to the state's regulatory power saw regulators' errors of judgment as actively causing the crisis. This view could be seen in various criticisms of the U.S. Federal Reserve's conduct in the run-up to the crisis.

A second and more specific argument against paradigm shift related to crisis causes suggested that it was not just errors of judgment but a clear and misguided government policy that led to the 2008 crisis. This argument was made repeatedly by a number of think tank authors and by various Republican politicians; it also gained some media attention. The argument centred on the idea that a real estate bubble at the heart of the crisis was the result of overzealous state efforts to promote homeownership, both as a general matter of policy and because of years of unquestioned political support for two government-sponsored enterprises (GSEs) known as Fannie Mae and Freddie Mac.

In contrast, those who made the case for tougher regulation – actors who we can think of here as interventionist-oriented – were largely focused on the behaviour of the financial industry as a cause of the crisis. Much of the blame was attributed to "Wall Street bankers" (popular shorthand for all financial industry participants), with various actors charging that a myopic focus on short-term profits and a readiness to game the system had bordered on criminality and had led to misery for many millions of people.

These two opposing arguments – the first portraying the state as a cause of the crisis (both passively and actively) and the second suggesting the blame lay with the financial industry – formed the basis for two out of three narratives that Baily and Elliott believed were competing for public acceptance in the early aftermath of the crisis. They listed them as follows:

> Narrative 1: It was the fault of the government, which encouraged a massive housing bubble and mishandled the ensuing crisis.
>
> Narrative 2: It was Wall Street's fault, stemming from greed, arrogance, stupidity, and misaligned incentives, especially in compensation structures.
>
> Narrative 3: "Everyone" was at fault: Wall Street, the government, and our wider society. People in all types of institutions and as individuals became blasé about risk-taking and leverage, creating a bubble across a wide range of investments and countries.
>
> (Baily and Elliott 2009)

As will be seen in some of the data presented here regarding news media framing, the intensity of that competition for acceptance was most acute during the first two years after the crisis; framing in the media about the causes of the crisis was heightened during political debate about Dodd-Frank and in the run-up to 2010 mid-term elections, but then it trailed off significantly.

Each narrative was based on a number of contributing factors, each of which in its own right might be considered a crisis cause. The Brookings authors argued that Narrative 3 came closest to the truth, while they noted that many in the media had already subscribed to Narrative 2. Their three-narrative framework will be used throughout this chapter[60] to examine how actors, including news media, discussed the causes of the crisis. The authors acknowledge that postulating such narratives requires a degree of what they considered oversimplification.[61] But the framework is particularly helpful because it accounts for the way certain developments, trends or situations (contributing causes) were treated differently, depending on the narrative to which one subscribed. For instance, virtually all actors agreed that government actions or inactions had played some part in fomenting the crisis. But some of the exact same lapses noted above which were used to argue for Narrative 1 could also be described as evidence for Narratives 2 or 3. This will be seen in some of the different arguments made by different actors.

It is worth noting that Brookings, as an institution, was often interventionist in the crisis-related positions its authors took in the think tank literature sample; but it was also sympathetic to market-oriented arguments, as Baily and Elliott were in their paper. This is in line with the think tank's reputation as a centrist institution and is supported by findings from Groseclose and Milyo (2005) based on the ADA scores of legislators who cited Brookings (see chapter three). The ADA scores of legislators who cited Cato Institute and American Enterprise Institute (AEI), were also consistent with the positions taken in the think tank sample with regards to the causes of the crisis, where Cato and AEI both argued strongly for what Baily and Elliott called Narrative 1.

In employing this framework, I will treat the media sample as a single text (as I will in the subsequent two chapters) and aim to determine which of the three narratives the news coverage was most aligned with, based on patterns in the framing. Although Baily and Elliott suggest many in the media had

[60] It also provides a model for narrative discussion in subsequent chapters.

[61] Given the media's well-documented and understandable tendency to simplify, I would argue that the oversimplification factor makes it even more suitable as a lens for considering media behaviour.

embraced Narrative 2, this case study finds that the news sample was more reflective of Narrative 3.[62] It exhibited a news media whose discussion of crisis causes was consistent with a desire among some actors for paradigm shift; but it also highlighted a readiness to entertain elements of Narrative 1 that were compatible with the survival of the pre-crisis paradigm. Indeed, although Baily and Elliott rejected key aspects of Narrative 1, they also said it contained significant elements of truth. Furthermore, they highlighted what they saw as a danger that Narrative 2 could stifle markets without necessarily addressing problems in the regulatory structure. (In the methodological framework used for this thesis, this view amounted to a consequence frame based on a solution frame which was based on a cause frame.) As this chapter will show, the ambiguity displayed by Brookings, a hallmark of Narrative 3, was mirrored by the news media even while it adopted a primarily interventionist posture.

The rest of the chapter is divided into four sections. Part one discusses different actors' positions about causes in terms of the three narratives outlined above. Part two considers the news media sample, identifying the kinds of causes that were cited by journalists and other actors within the coverage, the nature of the framing and the resulting narrative that emerged. The analysis in this section rests on a theoretical proposition, as discussed in section 3.2, that the frequency of frames matters when considering public discourse because it reflects the intensity of efforts by actors to shape people's interpretive frameworks. Part three explores media production by considering the views from interviews with journalists who covered the regulatory debate, think tank authors, a prominent public campaigner and an executive who advised financial firms on media strategy.

[62] As noted in chapter three, the subsection of the news media that generated the sample only represents one part of the media's contribution to the post-crisis discourse. It is quite possible that a different media sub-section, such as talk radio, would produce a different set of prioritised cause frames, possibly one which supported Narrative 1 or Narrative 2. Gary Burtless of Brookings, in one of the interviews for this thesis, posited that the narrative suggested by Brookings scholars is only heard by a limited audience, whereas the popular narratives that are formed in media such as talk radio arguably have more influence. He told me he was aware of this from his own appearances on radio, based on the views expressed in the phone calls that came in, which he then found were reflected in public opinion polling. Numerous scholars had begun to consider the importance of talk radio for public opinion and policy well before the crisis, including Knight and Barker (1996) and Mayer (2004).

Finally, the last section draws conclusions from the data and the interviews. The analysis finds that elite news media generally framed the causes of the crisis in a way consistent with interventionism, but that the framing was not exclusively or overwhelmingly hostile to the financial industry. Journalists mostly wrote about the perceived causes of the crisis by framing them as matters that could be addressed by the state, but the texts still exhibited wariness about statism, as shown in the framing choices made. This case study also will show how the media discourse was notable not only for what it contained but also for what it omitted. News media devoted far less attention to delving into the crisis causes than other issues, such as the solutions being proposed or the consequences of one regulatory approach versus another. Meanwhile, there was a striking absence of financial industry figures from the discourse about causes, one which pointed to more behind-the-scenes agenda-building effort by some actors to reinforce the pre-crisis paradigm.

5.1 Actors and cause frames

Establishing a narrative for public consumption about the causes of the financial crisis was a clear focus for all of the non-media actor groups. At times, some of these actors worked in tandem to make the public case as to what was at the heart of the crisis. For instance, in the case of the Financial Crisis Inquiry Report by Congress, Peter J. Wallison, a former government official who was interviewed among other think tank authors for this thesis, was one of 10 commissioners for the inquiry.[63] Indeed, the linkages between think tanks, political parties and government administrations are extensive, for reasons both practical and ideological.[64]

[63] In this case, Wallison's inclusion in the Congressional inquiry was in support of those who opposed Dodd-Frank; Wallison was the author of one of the report's dissents.

[64] It is common practice, for instance, for former government officials to become think tank fellows after leaving an administration post. Think tanks meanwhile provide information subsidies for political leaders and politicians in return help think tanks, among other ways, by validating the research and amplifying it.

In this section, I will consider the positions of political actors, independent elites, advocacy campaigners and the financial industry, using unmediated texts from each group. These texts include reports, testimony, website material and press statements. The aim is to gain an understanding of what different actors had argued caused the crisis, how those arguments supported one of the three narratives, and ultimately what regulatory paradigm was supported by their positions. With the exception of public advocacy campaigners (where only one umbrella group was considered), the actor groups were marked by divisions between those who favoured interventionism and those who retained a large degree of faith in market-led policymaking, or at the very least maintained a suspicion of the state. The texts are not intended to indicate where the balance of opinion lay within any non-media actor group, which would require more systematic analysis of the kind that has been designed for the media sample. Rather, the intention is to create a kind of indicative heat map that shows a range of the positions being taken in ways that allow comparisons to the news media analysis.

Independent elites: A think tank debate about causes

The think tank analysis about the crisis and regulation during the 2009-2012 period displayed the kind of divisions that would be expected based on the ADA scores[65] and the narrative categorisations noted above. Those who pushed for Narrative 1, namely AEI and Cato, focused on official lapses of judgment, housing policy and the role played by Fannie Mae and Freddie Mac in encouraging home ownership. The National Bureau of Economic Research, which bills itself as a non-partisan organisation dedicated to economic research, highlighted crisis causes that involved both the private and public sector, suggesting it fell into the Narrative 3 camp, along with Brookings. Articles published by the Petersen Institute for International Economics were generally technical and related to international cooperation among regulators; they did not fit neatly into the three-narrative framework.

[65] See chapter three for a discussion about ADA scores.

Throughout 2009, Wallison published a series of AEI papers that critiqued proposed regulatory solutions and sought to highlight what he saw as unacknowledged causes of the crisis, such as the role of GSEs in encouraging risky lending. Brookings, in the article referenced above, noted arguments made by Wallison that suggested government policy was at the heart of the crisis. In fact, the Brookings article could be seen as one of the first salvos in a protracted think tank debate over crisis causes, a salvo that was met with several volleys by those who promoted Narrative 1.

Cato's Kling (2010), without explicitly referencing Brookings, made the case for Narrative 1 as part of a wider argument about the dangers of concentrating power with officials. Kling identified what he saw as a mismatch between the crisis cause and the Obama administration's solutions:

> The financial crisis spawned demands for new regulatory powers. However, the crisis itself clearly resulted from the misuse of regulatory power in the first place. It was government policy that attempted to promote home "ownership" by encouraging lending with little or no money down to speculators and inexperienced borrowers. (Kling 2010)

Wallison then responded directly to Brookings in an autumn 2010 piece that described aspects of the everyone-at-fault Narrative 3 as "plausible" and "compelling" but which he said ultimately amounted to "no more than interesting theory" (Wallison 2010). He continued: "The reality is that, in pursuit of a social policy to increase homeownership, the U.S. government became a willing buyer of an unprecedented number of subprime and other high-risk mortgages." (Wallison 2010)

Richard W. Rahn, writing for Cato, then critiques both Narratives 2 and 3 before praising Wallison for "conclusively" showing the validity of Narrative 1:

> Without waiting for the evidence, many in the political class, and particularly those on the left, immediately bought into the argument that the financial crisis was caused by greed. This view of the cause provided much of the political energy behind the passage this year of the Dodd-Frank Act, also known as the financial reform act. Somewhat more sophisticated observers have claimed that all of the actors in the financial system are implicated. Peter J. Wallison, a former general counsel of the U.S. Treasury and now a fellow at the American Enterprise Institute (AEI), debunks these arguments and conclusively shows in a study that those were primarily government housing policies that caused the crisis. (Rahn 2010)

Rahn does not cite Brookings, but his critiques and endorsement line up exactly with the three narratives, while the reference to "more sophisticated observers" would appear to be aimed at the Brookings authors.

Wallison was also joined by others at AEI who advanced the government-was-the-cause Narrative 1. Perry and Dell (2010), for instance, listed six government policies or practices which they said caused the crisis. This included the promotion of home ownership via Fannie and Freddie and what they saw as the removal of market discipline via deposit insurance policies and a series of financial rescues from the 1980s to Bear Stearns. Dodd-Frank, they argued, "was enacted on the faulty presumption that the fundamental cause of the financial crisis was financial market failure and under regulation of the financial sector" (Perry and Dell 2010).

A common thread in these citations was the role of housing policy and the GSEs. Numerous other factors that were blamed for the crisis – ranging from the Federal Reserve's interest rate policies to the role of rating agencies to executive pay – came up in these articles or received in-depth analysis in separate articles in the think tank sample. One of the values of the three-narrative approach is it encompasses practically all of the different alleged causes that were debated. But the references above show the way different think tank authors worked in concert to build an agenda for an assortment of ideas in support of a paradigm. The paradigmatic thrust behind Narrative 1 is for a more market-oriented paradigm and it was one which two of the think tanks devoted extensive space to promoting. In the simplest terms, the thinking went that if government was the cause of the crisis, then market-led policymaking clearly offered a better approach. For those promoting Narrative 1, the crisis of 2008 only served to proves their point. Kling sums it up: "If the regulatory experts could not prevent the financial crisis of 2008, the most reasonable inference to make is that financial crises cannot be prevented." (Kling 2010)

State actors: The Financial Crisis Inquiry Commission

As noted in the introduction, this notion that the state exhibited failings in the run-up to the crisis was interpreted in different ways depending on the narrative advanced and the paradigm that was being promoted. Pro-market advocates cited government lapses as evidence that markets should be the basis for setting policy rather than officials' pet theories; interventionists argued that these same errors showed the need for stronger regulation. To consider the position of a variety of state actors at the time, I reviewed the Financial Crisis Inquiry Commission's report (2011), a document based on the work of a commission created by Congress. I chose this text because it was focused first and foremost on crisis causes. Although the commission was billed as an independent panel, its mandate was to report back to Congress and its 10 members were appointed by state actors. Reflecting the balance of power in Congress at the time, six members were appointed by Democratic leadership in Congress and four by Republican leadership. News coverage in the report's aftermath consistently made reference to "Republicans" and "Democrats" on the panel, a reflection of how the Commission was seen as a political vehicle. Also indicative of its status as a state actor: The Commission was able to exercise the authority of the state through the subpoena power it was granted.

The report features an interventionist reading of government lapses. It reached a series of conclusions that focused on the causes of the crisis, the first of which was a direct rebuttal of arguments such as the one made by Kling, which suggests the causes of financial crises cannot be addressed through government policy:

> We conclude this financial crisis was avoidable. The crisis was the result of human action and inaction, not of Mother Nature or computer models gone haywire. The captains of finance and the public stewards of our financial system ignored warnings and failed to question, understand, and manage evolving risks within a system essential to the well-being of the American public. (The Financial Crisis Inquiry Report 2011, p. xvii)

The report's subsequent conclusions focus on an array of contributing causes. I broke these down into categories, classifying the causes as concerning either 1) government, 2) the financial industry and ancillary companies or 3) systemic factors. So, for example, when the report talks about deregulation, that concerns government. When it discusses lending standards, that concerns the financial industry.

When it talks about lack of transparency or poorly aligned incentives, as in the case of rating agency behaviour, that concerns systemic factors. Some topics fell into multiple categories; for instance, executive compensation may concern both the financial industry and systemic factors.

Below is a summary of the report's main conclusions, with classifications for the causes that are identified in the text, and an explanation for each classification choice.

Table 5.1 Congressional report conclusions

Report text	**Page number**	**Cause classification**	**Explanation for classification choice**
We conclude widespread failures in financial regulation and supervision proved devastating to the stability of the nation's financial markets. The sentries were not at their posts, in no small part due to the widely accepted faith in the selfcorrecting nature of the markets and the ability of financial institutions to effectively police themselves.	xviii	Government	Reference to regulation and supervision indicates the cause involves government.
We conclude dramatic failures of corporate governance and risk management at many systemically important financial institutions were a key cause of this crisis.	xviii	Financial industry	Reference to financial institutions indicates the cause involves the financial industry.
We conclude a combination of excessive borrowing, risky investments, and lack of transparency put the financial system on a collision course with crisis.	xix	Systemic factors	Reference to lack of transparency indicates the cause involves systemic factors.
We conclude there was a systemic breakdown in accountability and ethics.	xxii	Financial industry	Passages in this section indicate the report here is discussing private sector behaviour.
We conclude collapsing mortgage-lending standards and the mortgage securitization pipeline lit and spread the flame of contagion and crisis.	xxiii	Financial industry	Reference to lending indicates the cause involves the financial industry.
We conclude over-the-counter derivatives contributed significantly to this crisis. The enactment of legislation in 2000 to ban the regulation by both the federal and state governments of over-the-counter (OTC) derivatives was a key turning point in the march toward the financial crisis.	xxiv	Systemic factors Financial industry Government	Reference to derivatives and the ban on regulation indicates the cause involves systemic factors, the industry and government.

The report then discusses three of the causes that featured in Narrative 1: the amount of liquidity made available to the financial markets (i.e. the conduct of the Federal Reserve), the role of Fannie Mae and Freddie Mac, and government housing policy. In the case of the first, the report finds that the excess liquidity seen in the run-up to the crisis need not have caused a crisis had the factors noted in its main conclusions not been present. In the case of Fannie and Freddie, the report downplayed the GSEs' importance:

> We conclude that these two entities contributed to the crisis, but were not a primary cause. Importantly, GSE mortgage securities essentially maintained their value throughout the crisis and did not contribute to the significant financial firm losses that were central to the financial crisis. (The Financial Crisis Inquiry Report 2011, p. xxvi)

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Finally, the report dismissed the idea that housing policy had been to blame, noting that encouraging homeownership was a feature of both Democratic and Republican administrations for decades and that its investigation into a law called the Community Reinvestment Act had shown that the act had not, as some had charged, contributed to subprime lending. The report did accept that in pursuing a policy of promoting homeownership, the government failed to match its goals with what it called "practical realities on the ground" (The Financial Crisis Inquiry Report 2011, p. xxvii).

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The above conclusion that there were "widespread failures in financial regulation and supervision", along with the conclusions regarding the financial industry, would suggest that on the whole it supported Narrative 3. However, there was an important distinction between how the report characterised the GSEs and housing policy and how the Brookings authors did. The former only acknowledged the critiques made by some commentators, while the latter took them more seriously. In a nod to the appeal of Narrative 1, Baily and Elliott wrote: "In its zeal to encourage homeownership and investments in housing the government failed in its role as the cop on the beat for financial institutions originating and holding risky mortgage-related assets", later adding that the government had provided incentives for reckless behavior (Baily and Elliott 2009). Finally, the Brookings authors included society at large in Narrative 3 as a crisis cause, while the Congressional report's conclusions above make no reference to society's role.

Without wishing to put too fine a point on it, I view the report's conclusions as falling somewhere between Narrative 2 and Narrative 3, but slanted more towards Narrative 2. What matters more, in the context of this chapter, is the reluctance of the report's authors to entertain the notion that state housing policy played a meaningful role in the build-up to the crisis. While Dodd-Frank's passage represented a significant step in terms of policy, this report, which attracted extensive media coverage, represents a major effort by some state actors to shape the narrative.

Public advocacy actors: Messaging from an umbrella group

In contrast to think tanks and political actors, the positions taken by public advocacy campaign groups fell squarely into the Narrative 2 category. To review this, I considered the communication strategy of Americans for Financial Reform (AFR). As noted in chapter three, I treated its public statements as representative of this category of actors.

A review of press releases by AFR, from 2009 to 2012, showed it firmly advancing Narrative 2. Bad behaviour by banks, or the enabling of that behaviour by the state, were repeatedly raised in one form or another. Government lapses were noted, but almost always in the context of enabling the real culprits rather than having a direct causal effect.

In the group's first press release announcing its formation, several campaigner leaders were quoted with explicit or implicit references to what had caused the financial crisis. AFR's director, Heather Booth, took aim at the banks that were "making their own rules and gambling with your money" (Americans For Financial Reform 2009a). The chief operating officer of a group called the National Community Reinvestment Coalition was quoted saying regulation needed to be focused on working families rather than Wall Street profits. A director for the Federation of State Public Interest Groups said the economy collapsed because of a lack of consumer protection.

Similarly, a reading of the group's priorities, which were listed in a footnote in chapter three, show they are all based on responding to crisis causes that originated either with profit-driven corporations or with lax regulations that allowed those corporations to act against the public interest. The text is highly rhetorical, but the ideas promoted can be traced to the same cause classifications used for the Congressional report.

Table 5.2 AFR priorities and cause categories

AFR priorities text	Contributing cause category
Fair rules of the road for consumers and a strong, effective Consumer Financial Protection Bureau to set basic safety standards and protect families—and the market as a whole—from loans designed to trick and trap	Government Financial industry
A banking system that helps people buy and stay in their homes and invests in communities and businesses to create good jobs and strong neighborhoods	Financial industry
An end to the casino economy that allows Wall Street to make "heads we win, tails they lose" bets with our money	Financial industry
An end to megabank bailouts and financial institutions that are "too big to fail"	Government Financial industry
Executive compensation that rewards long-term value creation, not excessive risk-taking, with meaningful shareholder review	Financial industry Systemic factors
A transparent and accountable Federal Reserve, independent of banking industry control	Government Financial industry
Transparency for all financial products and markets	Systemic factors
Meaningful limits on the political influence of the financial sector, so that the job of rewriting the rules is not left to the inside players who caused the problems we now face	Financial industry Government

While "government" and "systemic factors" are referenced in some of the language AFR employed, the bulk of the views expressed in the official priorities list and in the statements treat the behaviour of the financial industry as the chief reason the financial crisis occurred. In this sense, the discourse from advocacy campaigners differed from what state actors offered in the report on crisis causes and was much more squarely in line with Narrative 2.

Financial industry actors: Financial Services Roundtable testimony

As will be discussed in section 5.3, the financial industry mostly maintained a low public profile in the aftermath of the crisis. Data from the news sample bear this out, and the impression that industry figures were avoiding the media spotlight was supported by comments from journalists and think tank authors, as well as a financial industry media adviser who was interviewed for this thesis.

Industry representatives, however, were repeatedly called to testify in the House of Representatives and the Senate. Officials from the Financial Services Roundtable[66], a lobby group that represented the largest financial services companies, testified before Congressional finance committees and subcommittees on at least 13 occasions between 1 June 2009 and 31 March 2012, the timeframe for this study. Transcripts from those hearings, which are available on a government website and which were published by the Federal News Service, were reviewed to determine how Financial Services Roundtable officials discussed the question of crisis causes.

Most testimony focused on the consequences of proposed or enacted regulation, with Financial Services Roundtable representatives making arguments for why they supported or opposed specific parts of Dodd-Frank or related measures. Officials discussed the causes of the crisis on just one occasion during this period. On 15 July 2009, Financial Services Roundtable Chief Executive Officer Steven Bartlett testified before the House Financial Services Committee meeting. A transcript of his remarks includes the following:

[66] The Financial Services Roundtable merged with another industry association in 2018 and was renamed the Bank Policy Institute (Bank Policy Institute 2018).

> The focus of this hearing is on the future, as it should be, but I'm going to begin with an apology about the past. I've said this at other times and other forums and in other places for perhaps over a year. John Dalton, representing the Roundtable and Housing Policy Council, said this the last time he was before the committee, and that is our sincere – my personal, sincere apologies – (inaudible) – our organisations for the role that we played and I played in failing to see the crisis in time to help avert it. So I accept my responsibilities. (U.S. House Committee on Financial Services 2009b)

Bartlett continues by saying there was “a lot of blame to go around, a lot of sources of the problem” and then argues the biggest problem was “a regulatory system that is in chaos in terms of its structure” (U.S. House Committee on Financial Services 2009c).

The industry group executive’s testimony, despite the carefully worded “apology”, is consistent with Narrative 1. He stops short of accepting that financial services companies bore any responsible for causing the crisis, only for not *seeing it in advance* so that they could warn others. He suggests the government’s regulatory system was a bigger problem.

5.2 News media and cause frames

At the beginning of this chapter, the question was raised as to how news media dealt with discussion of crisis causes in order to understand its contribution to the wider discourse about policy paradigms. To answer that, analysis was conducted of news frames in the coverage by the *New York Times* and the *Washington Post* over a nearly three-year period, using the quantitative method developed for this thesis as outlined in chapter three.

Before delving into how the news media treated the question of what caused the crisis, and what narrative or paradigm the coverage supported, a more general discussion about cause framing is warranted to put the data into context. The first thing to note is that cause framing was limited. This type of frame was the second least common among frame types, after moral judgement frames. Cause frames represented 9% of the total in the *Washington Post* sample, while moral judgement frames accounted for just below 5%. To put that in perspective, frames that were based on the consequences of financial regulation made up 19% of the total, or about one in every five coded frames and twice as common as cause frames. The largest category was solution frames, which accounted for 39%, or two in every five.

The relative paucity of cause frames was not unexpected. The financial crisis represented a complex set of events and tracing the causes of those events, or even referring to the causes, created challenges for journalists, as will be seen in the next section. The subject matter was technical; there was a lack of consensus on causes (as evidenced in section 5.1); and even elite news media have a reputation for rarely going much below the surface when writing about complex issues[67], suggesting problem and solution frames will generally be more common than cause frames. Also, a structural feature of the analysis guaranteed solution frames would dominate the sample; most news articles were focused on proposals for, or decisions about, regulatory reform (solution frames).

Another contextual point to make is that news frames that focused on the causes of the crisis followed the ebb and flow of coverage but as time went on the news media focused on this issue less and less. Figure 5.1 shows an initial burst of such framing as the Dodd-Frank bill was unveiled. Cause framing then increased as the debate in Congress heated up, leading to the moment Dodd-Frank became law in July 2010. References in coverage to the causes of the crisis dwindled from that point on. This is significant because it shows that actors sought to establish their narratives early in the post-crisis period and it indicates the degree to which such framing intensified as the legislative debate unfolded.

[67] The issue of superficiality, for instance, comes up frequently in literature regarding media coverage of environmental issues.

Figure 5.1

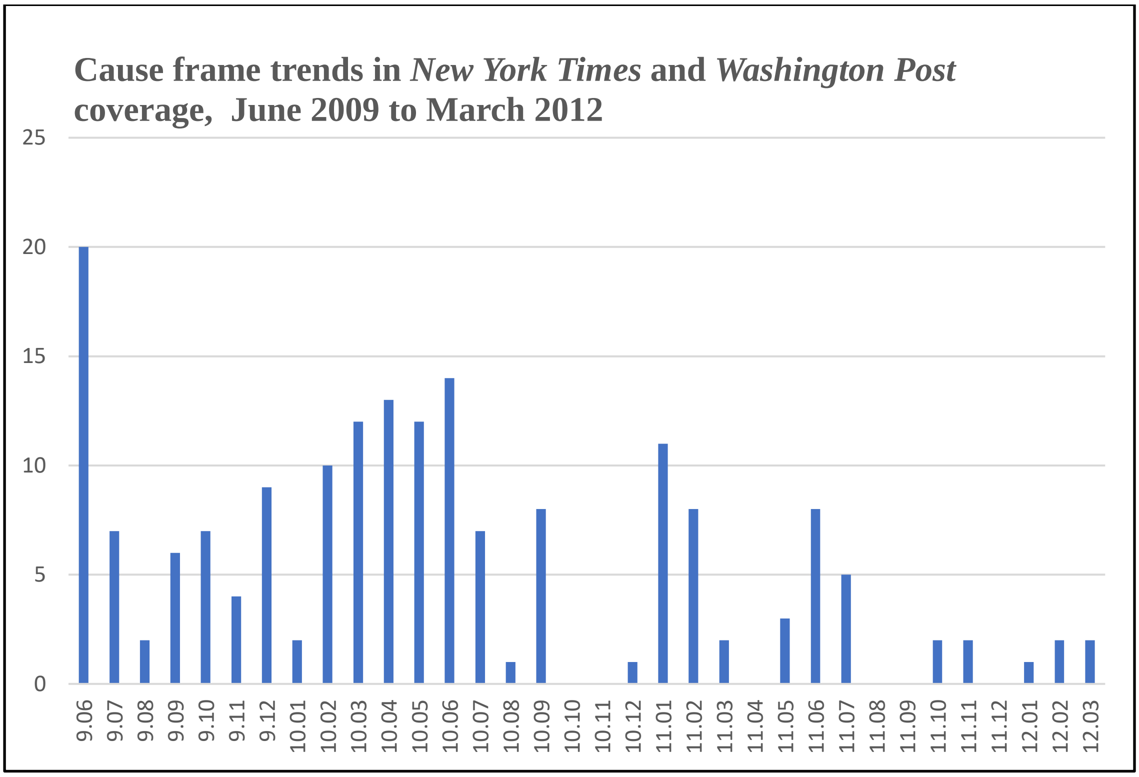

Figure 5.1 shows the total number of cause frames from both newspapers in each month. As discussed in chapter three, each sentence in each article was coded based on the presence of frames grouped into six frame types. Coding was based on Entman's definition of framing, which he said involved the selection of "aspects of a perceived reality" which were made salient within texts (Entman 1993, p. 52).

Who was doing the framing?

Journalists were the source for the bulk of the cause frames, accounting for 67%, or two out of every three of them. Politicians and government officials were the sources for 21% of the cause frames, and the remaining 12% of the total came from a handful of corporate representatives, independent elites and advocacy campaigners. Financial industry figures accounted for only seven cause frames in the sample, four of which were unaligned and three of which were supportive of a market-oriented paradigm. Their absence in the coverage appeared to be by design as journalists and other actors interviewed noticed a clear effort by the financial industry to avoid the media spotlight. Independent elites were similarly scarce, though in that case it was not that the experts were avoiding the press but that the press was avoiding the experts. Both of these trends will be discussed in more detail in the next section

When looking across all frame types in the *Washington Post* sample, journalists were also the most frequent source but by a smaller margin, accounting for 60%, or three out of every five. This reason why journalists were the source of cause frames more often than other frame types can be partly explained by a particular feature of reporting on causes. It was not uncommon for the cause frames to come in the form of clauses or background sentences that served to give a basic idea as to why a given issue was receiving attention.[68] For instance, in a 22 October 2009 article in the *New York Times*, the journalists wrote:

> On another issue that has been hotly debated for months, the House Agriculture Committee on Wednesday approved a measure to regulate derivatives, the arcane financial instruments that have been linked to the current financial crisis. (Labaton and Stout 2009)

This example simply draws a connection between derivatives and the crisis. It was coded as unaligned with either paradigm, due to its ambiguity. In many similar cases, details about how or why something may have led to the crisis were left out. This may be due to a particular presentational aspect of journalism: reporters and their editors will often be concerned about slowing down an article or devoting scarce space to what is considered background detail. But the result is that discussion of crisis causes as a whole was often patchy, vague and undeveloped. In that sense, news media differed markedly from other actor groups in terms of how crisis causes were discussed.[69]

[68] Such context-based frames will generally be supplied by the journalist, essentially to help the reader navigate the article. With other frame types, such as consequence frames, there are reasons why the share that come from journalists is much lower. Consequence frames often are based on predictions about the future, and these are much more likely to come from a journalist's sources than from the journalist.

[69] The use of the term "arcane" here could be seen to be suggesting that the murky nature of derivatives illustrates the need for greater oversight, thus framing this crisis cause as aligned with an interventionist paradigm. The passage, however, is too ambiguous to warrant such a coding. As noted in chapter three, a conservative approach was taken to coding. Clear and definitive text was needed to indicate alignment.

Cause frames, roles and acts of persuasion

Chapter three noted that journalists behaved differently than other actor groups in that they typically eschewed a rhetorical posture and aimed for a professional standard of objectivity. This standard is in keeping with widespread conceptions of the watchdog role of journalists. But other actors have different roles and different motivations, which show up in their rhetorical approaches. As they compete to shape public narratives, they face pressure to appear as authoritative sources. I identified three ways in which actors actively sought to be considered an authoritative source about what caused the crisis: 1) Was the reference to a cause or causes accompanied by empirical evidence? 2) Was an argument developed in any detail? 3) Was a rhetorical style employed? Positive answers to any of these questions point to extra efforts to persuade the audience of the validity of a cause. State actors, independent elites and advocacy campaigners all, to one degree or another, employed rhetoric, offered empirical evidence or developed logical arguments when discussing the causes of the crisis.

For journalists, on the other hand, the answer was rarely "yes" to any of these three questions. News media, in line with their professional standards, generally adopted non-emotive language and avoided rhetorical flourishes, with the only exceptions being in op-ed articles; news articles rarely provided empirical evidence or developed an argument in detail as to why one factor may or may not have been a cause of the crisis. This professional sense of the role of the journalist has implications in terms of the establishment of narratives. Think tank authors, politicians, campaigners and industry figures may see the promotion of narratives as a part of their job, or even an obligation. For reporters, professional standards dictate that they avoid doing so. This does not mean some do not consciously seek to promote narratives, and it certainly does not mean that they do not unconsciously contribute to them. Narratives form in the news whether journalists want them to or not (see Johnson-Cartee 2005).

But if journalists are not consciously trying to promote narratives in the same way that other actors are trying to, and thus are not employing the kinds of techniques referred to in the questions above, how can we identify the narratives they are promoting? This and the next two chapters argue that patterns in the framing provide an indication. Put simply, this thesis argues that news media are helping to establish narratives not through the force of evidence, logic or rhetoric but through repetition. The repetition of certain ideas and perspectives, which the thesis measures by considering different types of frames and frame metadata, provides an indication of which narrative is dominating the news sample. Given that the source of many of the frames are other actors, such analysis also gives a potential indication of the strength of agenda-building efforts by these actors. The findings in this section, and in chapters six and seven, are thus based on this proposition that frame frequency matters.

While the analysis here is quantitative, it is important to recognise at the outset that there are no statistical standards as to what constitutes dominance or even significance in terms of how often a given frame appears. Just because one type of frame appears, say 20% or 30% more often than another, that does not mean it has crossed some statistical threshold.[70] But by observing patterns in terms of frequency, we can at least determine the relative popularity of one kind of frame versus another, which in turn can form the basis for findings about support for a narrative.

A heavy skew in media framing towards interventionism

The cause framing that did occur skewed heavily toward interventionism. The amount of cause framing in the *Washington Post* and in the *New York Times* over identical periods was virtually the same, and the skews towards interventionism were similarly strong in both newspapers. The fact that these two newspapers behaved in highly similar ways suggests that the results of the analysis, specifically the paucity and nature of the frames, could be indicative of wider trends, at least for this news media sub-section.

[70] Establishing such measures would require much larger sample sizes and repeated studies over time, which is beyond the scope of this thesis.

Table 5.3 Cause frames in *New York Times* and *Washington Post*, alignments highlighted

Cause frames	**Interventionist**	**Market-oriented**	**Unaligned**	**Totals**
Washington Post	62	8	19	89
New York Times	47	10	34	91
Both newspapers	109	18	52	180

Table 5.3 shows the total numbers of news frames classified as cause frames from the *Washington Post* and *New York Times* samples.

Interventionist frames outnumbered market-oriented frames by more than five to one, meaning that much more often than not, journalists or their sources discussed the causes of the financial crisis in terms that were compatible with a paradigm that advocated the state playing a more pronounced role in regulating finance. As noted above, in most cases these frames came from the journalists.

Determining alignment: A close reading

It is useful at this juncture to consider what is meant when we say a cause frame supports an interventionist or market-oriented paradigm, or that it is unaligned. To explain more about the coding process and highlight some of the power of framing, I will offer a close reading of the first cause frame that appears in the sample. It comes from a 6 June 2009 *Washington Post* article headlined "Bank repayments may exceed estimates". In the fourth paragraph, the journalists write:

> Senior administration officials are considering new rules that would empower regulators to rein in pay practices that are seen as rewarding risky behavior and threatening the stability of banks. (Cho and Appelbaum 2009)

As explained in the methodology, the unit of analysis is the individual sentence and each unit could have multiple frames. In this case, the sentence contains a solution frame (rules that would empower regulators) as well as a cause frame (pay practices that ultimately threaten stability). Why is this considered aligned with interventionism? In determining alignment, the nature of the cause itself was the first consideration.

If the cause of a problem concerned identifiable human activity in an area that the sentence suggests could be reasonably governed without violating some fundamental principle, the frame was likely to be considered aligned with interventionism. In “pay practices”, we have a human activity that has been linked to a trait (risky behaviour) which in turn has caused a problem (banking instability). The idea of controlling this activity has already been mooted in the solution frame (rules to rein in the practice), so the frame at first glance does not suggest a fundamental principle has been violated.

What makes the question of paradigmatic alignment contentious, however, is that there are differing views as to what constitutes a fundamental principle. Many who champion the market over the state are fond of citing Hayek’s *The Road to Serfdom* (1944), with the idea that anything that concentrates power in the hands of the state runs the risk of stripping away fundamental freedoms. In other words, when the journalists here present the notion – in an unremarkable way – that pay practices could or should be “reined in”, they are framing the discussion in a way that endorses or at least accepts the idea of interventionism. For those who advocate a market-oriented paradigm, such an idea is anything but unremarkable: it goes against their idea of what the state should be allowed to do, based on the principles of free markets.

A notable feature of this frame is the passive construction of one of the clauses, where the journalists write “are seen as rewarding risky behaviour”. Passive constructions are sometimes used in such framing to link a cause and a problem without identifying who is making the linkage. The salient question here would be: “seen by whom?”, with the answer in this case never forthcoming. While passive constructions can be used for deceptive purposes (to invent unnamed people who can express an idea on the journalist’s behalf, or to imply an idea is widely held when that has not been established), they are often used simply as a shortcut to avoid slowing down the news story with too much detail. This follows the same logic as to why details about the mechanics of a given cause are not included, as discussed earlier. In this case, Cho and Appelbaum, or their editors, have made the decision not to devote extra space to explaining the linkage.

Such passive constructions not only create linkages but also lend them weight. This is done through a form of tautology, as in the phrase “It is what it is”. In absence of more detail, the answer to the question “seen by whom?” can only be: “seen by those who are critical of Wall Street pay practices”. In other words, the only available reading here is that Wall Street pay is a problem for those who see it as a problem (which in this case means interventionists). Pro-market advocates may believe that dictating pay practices violates a fundamental principle (the ideas of Adam Smith), but their view gets subsumed and as a result marginalised by the implicit attribution that the passive construction creates. Passive constructions – such as “seen by”, “believed to be” or “said to be” – thus can suggest a sense of consensus or weight of opinion which may not always be accurate.

Typically, the human activity that fell into the interventionist category concerned the private sector. If, on the other hand, the cause was related to government, there was a greater possibility that it might be aligned with a market-oriented paradigm. The tenets of neoliberalism, espoused by Friedman among others, hold that government initiatives often have unintended consequences. Those who subscribe to this worldview, such as some of the think tank authors noted in section 5.1, see it as their job to make visible what those unintended consequences are and to demonstrate how they are the causes of current problems. Hence, many cause frames that trace back to the government as the cause of a problem, such as those that highlighted the role of the GSEs or government housing policy, were categorised as having a market-oriented alignment.

Frames can also be classified by what they critique as previous attempts to identify causes, not just what they themselves assert are causes. For instance, a 3rd May 2010 article in the *New York Times* contains the following sentence:

> "The activities the administration proposes to restrict did not cause the financial crisis," he said. (Chan 2010)

The speaker in this case is an executive vice president at JPMorgan Chase, representing one of the few occasions in the sample when someone from the financial industry was the source of a cause frame. Given the vagueness of the statement, it might be possible to consider this an unaligned frame; but the context here is that the reference is to proposals to restrict proprietary trading and bank size, which were interventionist proposals that were being mooted based on cause frames concerning financial industry behaviour. I classified such frames as “wrong target” cause frames in that they suggest the wrong cause target has been identified. A similar case involving the financial industry crying foul about a state proposal, could be seen here:

> "This is yet another regulatory cost imposed on the many traditional banks that had nothing to do with causing the financial crisis," said Edward L. Yingling, president of the American Bankers Association. (Yang 2010)

The underlying idea behind Yingling’s statement – which is emphasised through his “yet another” phrase – is that the state is unable to differentiate between real and false crisis causes. The message is aligned with a market-oriented paradigm, both in its critique of the state for its inability to identify the correct causes and in its implication that the market, if it were somehow involved in determining policy, would not make such a mistake.

A breakdown of the causes that featured in the sample

Just as the think tank sample and the Congressional report featured an array of different causes, so did the news media sample. The paradigmatic alignment of the cause framing in aggregate may have been heavily skewed towards interventionism, but an inspection of the types of causes that were cited offers a more nuanced reading.

The causes cited in news media frames ranged from specific causes such as pay, lending standards or rating agency practices, to vague passages about derivatives or references to unspecified causes. I identified 14 distinct types of cause references. Table 5.4 shows these causes listed in order of frequency.

Table 5.4

Frequency of different cause references

Type of cause	**Number of references**
Excessive risk-taking	41
Unspecified or wide range of causes	37
Derivatives	20
General lack of oversight	19
Pay practices	14
Lending practices	12
GSEs and housing policy	10
Rating agency behaviour	8
Wrong target	8
Lack of consumer protection	7
Low capital requirements	5
Regulatory arbitrage	4
Deregulation	4
Shadow banking	1
Interconnectedness of banks	1

To understand what those totals represent in terms of how news media wrote about causes, I have provided examples of cause news frames from the sample, in order of how often they appeared within the sample.

Table 5.5 Cause frame examples

Cause	Paper	Text	Alignment
Excessive risk-taking	*NYT*	"These families have seen millions of jobs lost, trillions in savings wiped out, because of the greedy few on Wall Street who gambled with money that didn't even belong to them." (Herszenhorn and Wyatt 2010)	Interventionist
Unspecified causes	*WP*	The president's speech came on the same day that several large financial firms repaid federal aid, underscoring the administration's transition from fighting a financial crisis to addressing its causes. (Appelbaum 2009a)	Unaligned
Derivatives	*WP*	Derivatives trading, which aggravated the financial crisis, has roots in the trading of certain farm commodities, which is why the agriculture committees in the Senate and House have some jurisdiction over it. (Brady and Kane 2010)	Unaligned
Lack of oversight	*NYT*	Mr. Obama told reporters on Tuesday that a "lack of oversight" allowed what he called "wild risk-taking." (Labaton 2009a)	Interventionist
Pay practices	*WP*	There is widespread agreement that many bankers were paid during the boom for spectacular short-term results achieved by taking massive risks that ultimately produced the global crisis. (Appelbaum 2009b)	Interventionist
Lending practices	*NYT*	Its genesis was an article that Ms. Warren wrote a year before the near collapse of the financial system in 2008, a crisis blamed in part on abusive mortgage practices. (Calmes and Chan 2010)	Interventionist
GSEs and housing	*WP*	"Freddie Mac and Fannie Mae were at the heart of the financial crisis," Shelby said Tuesday. (Dennis 2010c)	Market-oriented
Rating agencies	*NYT*	"We recognize that the misuse of credit ratings, especially in structured finance, contributed importantly to the financial crisis," Mr. Walsh said. (Wyatt 2011a)	Interventionist
Wrong target	*NYT*	"The activities the administration proposes to restrict did not cause the financial crisis," he said. (Chan 2010)	Market-oriented
Consumer protection	*WP*	Officials have vowed to put in place new rules and regulators to prevent a repeat of the abuses that precipitated the financial crisis. (Cho and Dennis 2010a)	Interventionist
Capital requirements	*NYT*	The banks would like us to forget that it was undercapitalized financial institutions that got us into this mess. (Norris 2010)	Interventionist
Regulatory arbitrage	*NYT*	Mr. Dodd and others say that the market crisis last year was caused in part by banks that were able to choose which agency would regulate them, and by bank agencies that reduced regulations to encourage more banks to choose them. (Labaton 2009b)	Interventionist
Deregulation	*NYT*	"We've seen deregulation sweep over America in a way that has simply devastated our economy." (Sanati 2010)	Interventionist
Shadow banking	*NYT*	"It is painfully obvious that the financial crisis, which brought us to the brink of international economic collapse, was in large part the result of a 'shadow' or nontransparent financial market," Dennis M. Kelleher, the chief executive of Better Markets, wrote in a comment letter. (Morgenson 2011)	Interventionist
Connections	*NYT*	The crisis was made worse by the interdependence of many of the largest financial outfits. (Wyatt 2011b)	Unaligned

The most common cause cited, that financial firms engaged in excessive risk-taking, was in line with Narrative 2, which was that essentially Wall Street was to blame. But the next three most common causes were vague. Together they accounted for 40% of all the causes given. The more specific and technical the cause – such as discussion surrounding capital requirements or regulatory arbitrage – the fewer number of times it tended to appear in the sample.

Wherever possible I sought to collapse groups, but I also wanted to maintain visibility of distinct causes. For instance, "deregulation" could have been grouped with "lack of oversight", but it is a specific issue, whereas "lack of oversight" can encompass a number of issues from regulatory capture to underfunding of regulatory functions. Similarly, "lack of consumer protection" could have been combined with "lack of oversight", but it too was specific and it was noteworthy to see the degree to which consumer protection specifically was mentioned as this cause reinforced the idea of a predatory financial industry and thus supported Narrative 2.

In order to make more sense of this large and diverse number of causes, I grouped them into four categories, based on what they related to: the financial industry, government, systemic factors and a miscellaneous category for those frames that did not clearly indicate what crisis causes were being discussed. The four categories, with the causes that fell into them in order of frequency, were:

> **Financial industry (92 frames):** Excessive risk-taking, derivatives, pay practices, lending practices, regulatory arbitrage, shadow banking
>
> **Government (61 frames):** General lack of oversight, GSEs and housing policy, lack of consumer protection, low capital requirements, regulatory arbitrage, deregulation
>
> **Systemic factors (43 frames):** Derivatives, pay practices, rating agency behaviour, interconnectedness of banks
>
> **Miscellaneous (45 frames):** Unspecified or wide range of causes, wrong target

In three cases, causes were related to more than one category. Derivatives and pay practices were both systemic factors – with the former linked to a lack of transparency and the latter creating misaligned incentives – but they were also both related to the financial industry in that it was the industry that created and traded derivatives and the industry that decided on its own pay practices. Similarly, regulatory arbitrage was included in the government category, because it was related to how the state organised its regulatory functions, and also in the financial industry category, because industry participants were engaged in the arbitrage.

What this exercise allowed was a comparison of how the news media treated questions of cause with how the Congressional report, the think tank community and advocacy campaign groups did[71], with the aim of determining which of the three narratives the news media was most aligned with. The totals offer a more nuanced understanding than only tallying up the paradigmatic alignment of the cause frames in the sample. They show that in reporting on the cause of the crisis, the news media's most common response was to focus on financial industry behaviour. But those frames still represented less than half of the total number of cause frames. Furthermore, news media were highly receptive to arguments that government activity (or inactivity) led to the crisis, including arguments that were made for Narrative 1 such as the role of GSEs and government housing policy. All but one of the 10 references to Fannie Mae and Freddie Mac adopted the government-caused-the-crisis line, with the exception highlighting how the GSEs' presence helped prevent the crisis from doing more damage.

The combination of a heavy focus on the financial industry with a clear focus also on government and structural factors suggest the news media adopted Narrative 3. Given the strength of public animosity towards the financial sector in 2009 (see chapter 6, section 6.2), it is understandable why the Brookings authors, and many others, might have believed news media were promoting Narrative 2.[72]

[71] I have left out the financial industry here because, as indicated earlier, it by and large avoided discussion of crisis causes.

[72] Subsequent quantitative analysis by Schranz and Eisenegger (2011) looked at front-page articles by the *New York Times*, the *Guardian* and Swiss daily *Neue Zürcher Zeitung* from 2007 to 2009 and found that banks and their chief executives accounted for between 70% and 80% of the references to crisis culprits. The share of

But a close examination of this sub-section of coverage over an extended period indicates otherwise, at least for elite news media. This is also in keeping with the paradigmatic thrust of the sample, where interventionist-aligned frames largely held sway but where concerns about the role and conduct of government suggested a residual wariness about embracing statism.

5.3 Views from journalists and other actors

Interviews with journalists and actors who dealt with them confirmed the results above, showing that many in the media were most comfortable with the ideas expressed in Narrative 3. Journalists did not feel out of their comfort zone in writing about crisis causes, but they said there were still significant challenges that arose from the scale and complexity of the crisis. In this section, I will discuss three major themes that emerged from the interviews:1) the different narratives, 2) the challenges of writing about crisis causes, and 3) the absence of some voices in the media. I should note that the Brookings article was not referenced in any of the interviews, so connections with the different narratives is based on my own analysis of their comments.

Journalists and narratives

Interviews with journalists, and actors who dealt with them, indicate there was no doubt for most in the news media that the financial industry played an important role in the crisis. While aspects of Narrative 1 appeared to gain some currency, most of the journalists interviewed for this thesis did not gave an indication that they believed the government was the main cause of the crisis. But that left open the question as to whether Narrative 2 or Narrative 3 held more appeal and, if the latter, how seriously reporters treated some of the government-culpability arguments within it.

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references to government as a crisis cause initially was negligible, although it rose to just below 10% by the second half of 2009.

Heather Booth, who ran Americans for Financial Reform (AFR), said her impression was that news media did not limit the blame for the crisis to the financial industry. Booth said AFR wanted to spread the message that financial institutions were to blame first and foremost, with industry influence playing a role in destroying regulation and accountability. She said there was "a lot of very good coverage of the crisis" but she also said there was "not enough to make it clear to most people". She said some early media placed blame on the poor people who were victimised by the large financial institutions and that it took an effort to clarify who really caused the problems.

> Media was important, it was very important. And we had some friendly voices in the media, but you know the A.J. Liebling quote, freedom of the press belongs to those who own one.[73]

Booth felt coverage was influenced by media ownership. "Many of the largest voices are paid for or have aligned interests with both partisan interests and corporate interests," she said, arguing that this resulted in coverage that engaged in victim blaming. "It's a contest of which voices will be heard the most, and who has the resources to stick with that story."

David Enrich, now at the *New York Times*, covered the U.S. regulatory story for the *Wall Street Journal* between 2008 and 2010. He was dismissive of Narrative 1.

> I do think Fannie and Freddie played a role in some of this and the push by politicians of both parties to encourage this concept of universal home ownership played a role in this. But the notion that that is the cause of the crisis and, like, the banks weren't the cause of this, is the biggest load of shit I've ever heard. That's factually wrong, and it deliberately ignores, like, the vast majority of the problem.

But Enrich also said "a zillion things" caused the crisis and he offered a slightly scatological account that clings closely to Narrative 3.

> I can go through those zillion things… It was ranging from homeowners that were being greedy and stupid and reckless and taking on much more debt than they could afford, to slightly up the food chain, then mortgage brokers who were encouraging them to do this and to the originators who were providing these reckless loans and then up the food chain to the Wall Street firms that were buying these mortgages and the rating agencies that were rating the shit that they cobbled together, to the stupid investors all over the world who were buying the shit, to the regulators who were turning a blind eye to this massive risk (inaudible) all over

[73] The quote comes from an essay titled "Do You Belong in Journalism?" (Liebling 1960) which appeared in the *New Yorker* magazine.

> the financial system to the politicians who were clamouring for more Americans to have homes to the politicians who were pushing for completely laissez-faire regulation to the media.

Kevin Hall, who was the national economics correspondent for McClatchy from 2005 to 2013, was a Pulitzer finalist for his reporting on the causes of the crisis. He had the benefit of having covered financial crises in other countries, although not on the scale of the 2008 crisis. He said he broadly subscribed to the narrative that everybody was at fault, but said that was weighted more heavily towards the banks.

> If you go back and look at why we got to where we did, every step along the way something was broken, whether it was the underwriting, whether it was the non-bank lending, whether it was the regulators unaware of the interconnectedness of this growth and these non-bank lenders, nobody really understanding structured finance, because that was pretty new.

Part of his reason for weighting the banks' culpability more heavily stemmed from the idea that they should have known better. Hall cited an oft-quoted line from Charles Prince, who was chairman and chief executive of Citigroup in 2007 when he spoke about the need to keep dancing as long as the music was playing.[74] "I think nobody wanted to be the first to back out of something where they were making a lot of money, and they all knew was going to end badly," Hall said.

The interviews included two journalists who were general assignment reporters for Gannett, based in Washington during the Dodd-Frank debate. Ledyard King, one of them, said there may have been excessive lending and shoddy practices but he also suggested borrowers shared some of the blame.

> I'm personally I think a fairly conservative financial person. I don't borrow more than I think I can pay, and leading up to the crash were people who were – I mean they were obviously duped into thinking they could borrow more, but I also think the consumers you know, it was what the consumers wanted to hear. They wanted to buy the house… the five-bedroom house in a nice neighbourhood, they wanted to own a Mercedes.

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[74] "When the music stops, in terms of liquidity, things will be complicated. But as long as the music is playing, you've got to get up and dance. We're still dancing," Prince told the *Financial Times*. (Nakamoto and Wighton, 2007).

King's colleague, Brian Tumulty, interviewed separately, pointed to systemic factors as one crisis cause. (Systemic factors featured in both Narrative 2 and Narrative 3.) Tumulty said there was no doubt that lending standards were not rigorous and that homeowners had been given unrealistic levels of credit. But he noted that "lenders didn't really care about that because they were not going to keep the mortgage, they were just going to resell it".

Stephen Labaton, a Pulitzer finalist, covered regulation for the *New York Times*. He said he had a personal thesis as to the crisis cause, one that focused heavily on the government's actions.

> I came to Washington in 1990 to cover the savings and loan crisis for the *New York Times*, which was about a $120 billion bailout and we all thought that would be the biggest crisis we'd ever see in our lifetimes. If you study financial crises throughout American history, you will notice that often the seeds of every major crisis are sown in a previous crisis. Regulations and laws are adopted that seek to address the particular issues of a crisis and often they create a new set of circumstances that contribute to the next crisis.

This theory suggests a degree of government culpability that goes well beyond what was portrayed in the Congressional report, which focused on problems stemming from deregulation rather than from any active steps that government took.

While comments from the journalists interviewed here suggest an embrace of Narrative 3, some in the think tank community saw media behaviour differently. AEI's Wallison, in an email interview, was highly critical of U.S. news media. The impression he was left with was that news media "adopted the simple story that it was the result of insufficient regulation of the financial system" and that any other explanation was not given credence. Wallison believed his views about the cause of the crisis did not take hold with the media for two reasons: "First, because it seems obvious to the media mind that every problem can be solved by more regulation, and second, because trying to understand another explanation takes too much work."

Wallison's suggestion that news media generally favours more regulation is supported by the heavy skew towards interventionism in the framing data. But his characterisation of the media as only reporting the "insufficient regulation" angle was not borne out by the data. While "lack of oversight" was a common cause frame, the GSE cause argument also received attention. Many of the journalists interviewed said they were aware of the GSE storyline.

Alex Pollock, a former banker and author for AEI who also wrote about the GSEs, confirmed the view that AEI's arguments about the GSEs did find some purchase in media discourse. "I feel like in terms of publication of ideas, we were a lot out there," he said, noting he had appeared in the *Washington Post*. "People in housing finance were aware of these ideas, they were discussed and debated." He also was critical of parts of the U.S. media landscape, saying he and others in his circle viewed the *New York Times* as a propaganda sheet for the Democratic Party.

Writing about causes

This sub-section of the media tends to be staffed with reporters who are experienced and/or knowledgeable about the subjects they cover. They did not indicate that they felt out of their comfort zone when writing about what led to the crisis. Some expressed confidence based on their experience and the degree to which their organisations encouraged them to dig deeply into underlying issues. What they didn't know, they said, they worked hard to learn about. But they also said the crisis presented significant challenges.

Caren Bohan, who covered the White House for Reuters during the Dodd-Frank debate and now is the Washington editor at *USA Today*, recalled:

> I guess I felt pretty confident in my knowledge of the general causes of it, because I'd been an economics reporter for so long. I remember seeing the excesses building, and I had covered the economy during a recession before…. I also tried to read a lot about it, about what was happening behind the scenes, at Lehman and at Bear Stearns, I tried to understand, as much as I could, the series of events that played out.

Labaton said the *New York Times* encouraged him to be a student of history and he felt he brought perspective as someone who was experienced at covering what he called "the intersection of Wall Street and Washington". Still, he said the ferocity of the crisis underlined the importance and difficulty of understanding it fully. "No one in our lifetimes, in my lifetime, had ever experienced a financial crisis of that magnitude with those implications," he said.

Historical perspective was not necessarily possessed by many of the journalists tasked with covering the story. Francesco Guerrera, who covered Dodd-Frank for the *Financial Times* and is currently the head of Europe, Middle East and Africa for Barron's Group, said one structural difficulty is that journalists are very good at looking at the present and at the recent past, but many are too young to know enough about events further back.

> We were all like looking back and trying to educate ourselves as fast as we could or ask people who were there. But then again, if you ask people, they had a point of view or a biased point of view. So that was the most difficult part, when they were saying, 'It was all because of, you know, the repeal of Glass-Steagall', or the regulation of this, or even go back to even before, the fixed rate mortgage market in the U.S.

Tight deadlines and the speed of events added to the pressure. Guerrera, like Labaton, cited the magnitude of the crisis as a factor in how journalists treated the story. He said that as much as journalists may wallow in self-importance and talk about writing "the first draft of history", most of the time they are not doing that. The 2008 crisis was an exception.

> What I know of the people who covered the crisis, and lived through the crisis, that is a very reflective bunch. We were faced, for the first time in our career, and maybe for the last time in our career, with a very huge responsibility. There's a huge responsibility when you're writing, as I had to do, the splash in the *Financial Times*, the night that Lehman fell.

Asked about how they coped with often radically different accounts for what was at the heart of the crisis, several journalists said their response was to speak to as many sources as possible and then simply make the call. "General journalistic rules apply. So, you listen to them all, and then you try to present them all, or making a judgment as to which are the good ones or the bad ones," Guerrera said.

Tom Braithwaite covered post-crisis regulatory issues from Washington for the *Financial Times*. He made a similar comment: "I think, you speak to as many people as possible, and you interrogate who seems credible or otherwise." Braithwaite said that this approach meant you had to take on board the agendas various sources had: "Whenever you're speaking to anyone, as a journalist you're hopefully treating them sceptically and working out what the perspective lies beneath what they're doing."

Another issue that journalists faced concerned how to write about these causes in such a way that they would be understandable. David Herszenhorn, who covered Dodd-Frank for the *New York Times* and now writes for Politico, said:

> The challenge that's posed by a subject like financial regulation is that it's so complex, I mean, and for the average reader it's almost meaningless in a way… They know that there was a financial crisis, they know that their houses, their mortgages, ended up under water in some way. But getting at the root causes of it, you know, was really, really hard.

Hall of McClatchy made a similar point. He noted an incident where he'd seen coverage in the Wall Street Journal about GSEs that he thought needed more attention. He pitched an idea to his editor but was rebuffed. Hall recalled: "And he (the editor) said, 'No, this is too complex, people's eyes are going to glaze over'." In his case, Hall went around his direct editor and spoke to the investigative editor.

> We did a lot of reporting initially on the crisis and then the question was, what do you do beyond the daily stuff and the Hill stuff…. This isn't a criticism of my editor. My editor was just one of the guys who was more focused on daily coverage and how we cover the next turn on this. And I, having covered these things in other countries, thought the greater value was telling a bigger picture.[75]

The picture that emerges from these accounts is a journalistic corps that generally expressed confidence in their ability to dissect what had happened, but were at times daunted by such a complicated, impactful story. Making sense of the crisis appeared to pose challenges for many, from gaining the requisite knowledge quickly to speaking to a wide-enough array of sources to translating the information into terms that would be widely understood. This picture helps account for the limited amount of cause framing and the frequently vague or basic nature of the cause references. It supports the analysis about how news media differed from other actors in discussing crisis causes. Ultimately, the sheer weightiness of the story and the resulting need to focus on immediate problems, coupled

[75] The reference to "Hill stuff" is to coverage of Capitol Hill, i.e. Congress.

with the difficulties of explaining the crisis origins to a wide audience, appeared to dissuade reporters from spending too much time and energy trying to rake over the past.

Voices in the news

The analysis thus far has focused on what appeared in the news sample and how that compared with the views on crisis causes that other actors were offering. But it is also telling to consider what did not appear in the sample. Here I wish to focus on two actor groups, independent elites and financial industry representatives.

Each of these groups accounted for just 4% of the already limited number of cause frames in the sample. The modest number of independent elites who featured in coverage is all the more striking because of the usefulness of relying on expertise when discussing something so complicated as crisis causes. In the case of financial industry figures, there were compelling reasons why they avoided the media spotlight, but it is noteworthy nonetheless given that much of the subject matter in regulatory news articles concerned these sources themselves. I will touch on the first group briefly and discuss the second in more depth. Both discussions are based on comments that came up in the interviews.

In terms of the small number of independent elites who appeared, one think tank author believed this reflected a feeling among reporters that the entire notion of expertise had been discredited. The phones at think tank offices, he suggested, effectively stopped ringing. “Once the crisis had happened, not many people were willing to listen to what academics had to say, especially economists, since I think the economics profession was sort of caught up in it for failure to warn everybody,” said Robert E. Litan, a senior fellow at Brookings. “Who’s going to listen to us?”[76] Litan argued that the crisis represented the start of a society-wide distrust of expertise.

[76] Litan added that this discrediting of expertise has persisted to the present day. He said he had recently planned to write a book about evidence-based policymaking but had shelved it because he came to the view that there would not be enough interest in it in the current climate. “No one wanted to listen to experts on anything,

The absence of independent elites in the news media, according to Litan's conjecture[77], was based on choices that journalists made. In the case of the second group, the financial industry, the media absence would appear to have been based more on choices that industry members themselves made to keep their names, or their institutions' names, out of the news.

Interviews with journalists who covered the financial beat during this period showed the financial industry remained highly active in trying to steer the discourse behind the scenes, both with the media and with other actors. An interview with a financial industry communications strategist also explained some of the logic behind this trend, as financial firms recognised that there was no escaping the attractions for many of either Narrative 2 or Narrative 3 and that their best communications strategy involved avoiding media and concentrating on interaction directly with political actors.

Enrich, formerly of the *Wall Street Journal*, said: "All these groups, and the banks individually, and the bank executives individually, were trying to keep a much lower public profile. They did not want their names attached to things." But he said it would be a big mistake to assume that just because their names weren't attached to stories, that they were not actively and aggressively engaging with the media. He said "there was, and remains, like, an army of these people" who would talk on a background, not-for-attribution basis every day.

Herszenhorn, formerly of the *New York Times*, said financial industry efforts were focused mostly on lawmakers.

whether it's climate change or vaccines," he told me. "I think the crisis had an enormous amount to do with that."

[77] Litan here is voicing an issue which appears to be gaining increased interest among scholars. The impact of the crisis in terms of raising questions about the value of expertise was the focus of an edition of the journal *Policy and Society* (Volume 37, Issue 2) in 2018.

> They (legislators) are really susceptible, right? 'Here's a campaign donation and hey, we would really like this, which we say is going to do X, Y or Z'… If the competing interest isn't there, pushing back, who will, right? It's a much more dangerous issue when it comes to influencing the policy makers but of course you know, look, they try very hard to influence also the pundits, right, the people who are going to take a position.

Herszenhorn said industry representatives were sophisticated enough to know that pushing a message with a Congressional reporter for the *New York Times* was likely to be met with scepticism.

But Enrich said that while industry representatives knew they could not use hard-sell tactics with reporters, that did not mean they did not aim to shape the way journalists looked at the story. One of the problems he noted – which was also highlighted in some of the immediate post-crisis literature – was the level of expertise journalists had about the subject matter, which limited the degree to which they could push back on assertions.

> Some journalists as they get more experience become experts in a subject matter. They're covering in a really nuanced, technical way. But for the most part we're not.…
>
> The institutions have people who are most sophisticated about this, who are being paid a lot of money to kind of get their ideas and their viewpoints and perspectives into the brains of journalists. And not in a way where it's like a sledgehammer, right? They're trying to just kind of shape the way you view the world.

Braithwaite of the *Financial Times* worked with Guerrera to cover the story. He said Guerrera would mostly speak with banks while he would speak with the regulators and policy makers.

> Sometimes I would speak to the lobbyists in Washington directly and occasionally you would have sort of executive visitations where they would not only presumably speak to people in the administration or on the Hill but also reporters like me covering Washington. So, they obviously did desire to influence the debate, quite directly.

Guerrera said the behind-the-scenes posture by the industry had the effect of enabling it to persuade some politicians to push for less stringent regulation.

> … the immediate effect of the crisis disappeared from the public's mind, and then something as complex as Dodd-Frank started being discussed in Congress and committees. And the issues discussed in Dodd-Frank are really not household issues. It's very difficult to explain the Volcker Rule to someone who doesn't know the financial sector. So, all of the sudden there was a license, for the people who wanted to, to soften up that, to soften up the legislation.

Herszenhorn also made the point that the behind-the scenes nature could lead to legislative provisions that were not always obvious. He said that what worried him most about a legislative discussion was what did not come across his radar that could have an impact. Someone taking a view on an issue that is well-discussed, even if it's a technical issue, was less of a concern: "If it's on my radar I'm going to find people to teach me – that's what I do for a living."

When financial institutions did speak publicly, either individually or via industry associations, they mostly stuck to the we-didn't-see-it-coming line, according to the communications strategist whose clients included financial institutions and who asked that his comments be treated anonymously. For the most part, he said, banks knew they could not be vocal about the course of regulation because they had just taken tens of billions of dollars of taxpayers' money.

> The general line that most financial services companies took was, nobody saw this coming. … Everybody from the government, to Congress, to mortgage originators, to mortgage securitisation shops, and everybody involved, had something to answer for. But what they all had in common and what they all felt they could say appropriately was, nobody could forecast the severity of the crisis that hit. That I think was the common refrain.

This interview took place before I had come across Bartlett's testimony (see section 5.1), so it was striking afterwards to see the communications strategist's description match up so closely with the Financial Services Roundtable executive's remarks to a Congressional committee.

Where they differed is that the communications strategist suggested that financial services companies did publicly accept some of the blame. "Nobody could say in their defence, this wasn't us, because everybody had a part in it," he said. Bartlett's testimony may have been in line with Narrative 1, and this interviewee suggested the industry's position was closer to Narrative 3.

5.4 Conclusion

RQ1 and RQ2 in chapter three called for us to consider the extent to which, and the ways that, news media coverage formed a part of the wider discourse about regulatory paradigms. We can draw four main conclusions from the data and the ways that news media coverage lined up with, or against, the positions of other actors.

Firstly, in writing about the causes of the crisis, elite media generally framed discussion in a manner compatible with an interventionist paradigm. That was clearly visible in the frame alignment data and one can immediately see that the post-crisis framing about finance was markedly different, in tone and substance, from that which was seen in chapter four, when news coverage from a decade earlier was examined. A couple of caveats, however, are in order. Cause framing featured in the news sample less than most other types of framing; and when such frames did appear, a large share of them were vague.

Secondly, news media framing was less anti-Wall Street than many observers suggested. Think tank authors from Brookings to Cato to AEI had the impression that news media primarily blamed the financial industry almost exclusively for the 2008 crisis and the economic upheaval that resulted. While a good deal of blame clearly was placed with the industry, that overall view was not consistent with the data. News media framing was more in line with Narrative 3, with the government and vague notions about systemic factors also regularly cited as causes. This was reflected in the overall patterns of framing, which showed financial industry behaviour as a crisis cause in less than half the total frames. It also could be seen in the way that news media included, in a modest fashion, the housing policy narrative that was aggressively pushed by right-leaning think tanks.[78]

Thirdly, on a related note, discourse from news media lined up with more centrist actors and eschewed more radical positions. Polemic discourse offered by advocacy campaigners, or by some in

[78] This view was held by numerous Republican politicians, who criticised the Obama administration for not including GSE reform in Dodd-Frank and who in some cases cited the work of Cato and AEI.

the think tank community, found some purchase but overall, the news media sample showed an aversion to lining up squarely behind any single theory of crisis causation. Notably, the sample reflected more wariness of the principles of interventionism than the state actors who authored or supported the conclusions of the Financial Crisis Inquiry Commission report.

Fourthly, agenda-building efforts were visible not only based on what appeared in the coverage and the unmediated discourse, but also what was omitted. Financial industry figures were conspicuous in their absence as they appeared to target more direct forms of agenda-building, bypassing news media. The financial community understood that the environment was not conducive to vocal public relations efforts as banks had only just received tens of billions of dollars in government support, funded by an angry citizenry. When compelled to speak publicly, as in the case of Congressional hearings, financial industry figures avoided discussion about crisis causes and relied on the nobody-saw-it-coming line, which served the purpose of deflecting blame to "the experts".

RQ3 asks what media production factors may help account for the conclusions reached with regards to RQ1 and RQ2. While the analysis offered here does not benefit from the systematic, quantitative approach that was taken for considering content, the actors interviewed represent a valid means of gaining insight on production factors. All of them had direct and extensive experience producing and responding to the discourse that was studied.

Considering the theoretical starting assumption for this project, the first conclusion above is in no way unexpected. Since the crisis represented a major anomaly in the paradigm that governed the way most people viewed financial markets, it seems hardly unusual to see news media writing about the crisis in terms compatible with a different paradigm. At the same time, the relative paucity of cause frames, and the vague nature of them were noted as important caveats (in that they had implications for the wider paradigmatic contestation). Here, the interviews suggest that journalists' sense of what their audiences wanted in terms of simple cause references, along with a professional ethos that encouraged brevity and simplicity, lent itself to a tendency to treat cause references the way they did, or to avoid discussion about crisis causes in favour of other issues.

The second and third conclusions above suggest news media coverage was less aligned with actors who were committed to the notion of paradigm shift. The repeated allusions in the interviews to journalistic standards, in terms of research and source-gathering, account for a readiness and desire to include a wide range of views and to avoid aligning with any single line of thinking in terms of crisis causes. The complexity of the situation, even for reporters who had been on this beat for some time, warranted a cautious approach that called for speaking to as many sources as possible.

The fourth and final conclusion, from an agenda-building perspective, is the most intriguing. Journalists focused on this story were well aware of efforts by financial industry figures to avoid the glare of the media spotlight while continuing to push their agenda behind the scenes. Their absence from the news coverage in this sense represents less a choice by the journalists and more one by the industry actors. Meanwhile, the nobody-saw-it-coming line these actors promoted served a dual purpose. It deflected blame, while serving to undermine the state and any suggestion that it was equipped to identify the important issues.

Judging from the number of times that news reports featured the “excessive risk” cause frame, it appears that journalists were not taken in by the nobody-saw-it-coming line. What is more, the comments in the interviews suggested few in the news media were prepared to give financial industry participants much benefit of the doubt. Still, this idea found a faint echo in the inclusion of “wrong target” cause frames, which also suggested the state lacked the capacity to identify what really mattered. The comments also prompt a question as to how much attention was devoted – or, from a normative perspective, how much attention should have been devoted – to investigating these behind-the-scenes efforts to influence state actors. The issue of the financial industry’s agenda-building efforts will be explored in more depth in chapter seven.

The desire for interventionism from many actors in the early days after the financial crisis clearly was strong. But that did not translate into a clear media narrative that called for focusing exclusively on forcefully reining in the financial industry. The considerable focus on government factors and on systemic factors in the coverage, and the comments offered in interviews, suggests that news media were prepared to entertain a wide variety of factors as crisis causes beyond those that targeted Wall Street. Efforts to forge a public discourse that favoured paradigm shift had begun, but the result in the early phase of the post-crisis period was anything but conclusive.

Chapter 6

Framing morality: Heroes, villains and justice

The topic of financial regulatory policy – an opaque subject that requires deep knowledge simply to consider the terms of reference – had unsurprisingly held scant interest for the general public prior to 2008. For news media, it had only ever featured in niche publications or been relegated to the business sections of more mainstream media.[79] The events of 2008, however, showed, with force and immediacy, how regulatory policy could have significant ramifications for ordinary people. The linkages between policy and its effects on people became a concern for news media looking to report on what the government was doing to address the factors that had led to the crisis, the problems that had been generated and the longer-term measures under consideration to prevent future crises. In many cases, these linkages – given the scale of personal damage caused by the crisis – took on a moral dimension within public debate. Which actors were morally culpable? Who were the victims? How did moral transgressions take place? These all became questions that informed discourse and injected drama for a conflict-focused news media industry reporting on the otherwise dry and technical subject of regulatory policy.

This chapter will explore the nature of morality within news coverage of the post-crisis regulatory debate, looking at reporting about the Dodd-Frank Act and specifically considering the morally charged issue of executive compensation. The aim here is to understand media behaviour concerning

[79] The possible exceptions here would be the *Financial Times* and the *Wall Street Journal*, two publications which, I would argue, manage to be simultaneously niche and mainstream.

morality in the context of efforts by various actors to make the case for a more interventionist regulatory paradigm, or conversely, to bolster the case for the more market-oriented pre-crisis paradigm. The frame category of "moral judgment", as employed by Entman (1993), is used to identify how the media framed matters in its coverage and to understand the degree to which those frames featured in regulatory coverage when compared with other frame types. The chapter considers which issues prompted news coverage from a moral perspective and which actors were given media space to voice their moral judgments and advance a moral narrative. The aim here is to ask: What does the coverage of moral issues, or lack of it, say about the agenda-building process for the post-crisis regulatory paradigm? Morality, as will be discussed, was a central issue in the public debate about the financial crisis and what should be done about it. And yet, moral framing within coverage of the regulatory response was notable mostly for its absence.

As this thesis is structured along temporal lines based on each frame type (see chapter three), it is useful to think about how the moral judgment frame relates to, and may overlap with, other frame types. The issues being framed may concern the past (cause frames), or the future (consequence frames), but the idea of the moral judgment frame is to render a verdict that transcends time. For instance, as we saw in the previous chapter, executive compensation was frequently cited as one of the causes of the crisis. The same issue may also be framed in moral terms. Cause and consequence frames establish causal relationships, while a moral judgement may characterise the issue at hand in terms of rightness or wrongness. In this sense, moral frames are not temporally based, just as morality itself is often thought of in everlasting terms of what is, was or always will be right or wrong.

The chapter features four sections. It will begin by with a contextual section that briefly considers the history of morality as it relates to finance within popular culture, as well as the more recent attention given by the academic community to matters of morality in analysis of regulatory policy after the crisis. Section two will consider Dodd-Frank coverage from the news media sample, identifying trends in the types of moral frames employed and how they were aligned with policy paradigms. The third section will consider the views from interviews with journalists and other actors regarding the ways that morality featured in the post-crisis discourse. The chapter will conclude by summarising the evidence from these first three sections to make some general points about how morality featured within the efforts to build narratives in support of one paradigm or another.

The chapter reaches three conclusions about how journalists considered the crisis and financial regulation in moral terms. First, it finds that journalists involved in the Dodd-Frank story tended to include moral judgment frames that were aligned with a more interventionist paradigm; second, that moral judgment framing was relatively rare and sporadic, typically based on popular tropes rather than considered arguments or reference to evidence; and third, that moral framing was marginalised in the context of a wider debate about regulation as journalists shied away from engaging with the moral dimensions of the crisis. The sermonising that did take place in the Dodd-Frank coverage may have supported the case for a more interventionist policy, but it was in some ways surprisingly patchy. The case study finds that many journalists appeared hesitant to seek out views and write about financial regulation in terms of what might be considered “right” or “wrong”, a hesitancy that arguably undermined efforts to engineer a paradigm shift towards interventionism and ultimately may have helped pave the way for arguments for a reduced policy role by the state.

6.1 Markets and morality: popular culture and research

News media’s role in defining moral norms, particularly since Cohen’s *Folk Devils and Moral Panics* (1973), has often been thought of in terms of social deviance. Highly visible challenges to the societal status quo become moral transgressions, making for easy copy for newspaper editors. As Cohen observes, “The media have long operated as agents of moral indignation in their own right: even if they are not self-consciously engaged in crusading or muck-raking, their very reporting of certain ‘facts’ can be sufficient to generate concern, anxiety, indignation or panic.” (Cohen 1973, p. 16) But the main actors in the financial crisis represented a different kind of moral threat, one marked by social convention rather than deviance. Unlike the "mods" and "rockers" in Cohen's analysis of 1960s Britain, the villains of the crisis *appeared* to play by the rules. That appearance, many argued, turned out to be deceptive as the "greedy bankers" and "fat cats" who would feature in news reports were later portrayed as playing by a different set of rules than the rest of society. What is more, those banking executives appeared to be playing by a set of rules that they had had a hand in making in the first place.

There is a long tradition of depicting financial figures negatively in moral terms within popular Western culture, one that informs the news coverage of financial policy. This tradition has provided easy reference points for the media whenever financial matters have made their way to the front pages. Fictional characters who dominated the popular imagination, from Shakespeare's Shylock to Dickens's Scrooge, have led to banking and the marketplace broadly being equated with avarice. In the 20th century, the most striking moral characterisations of the world of finance often occurred during times of plenty, highlighting a sense of recklessness and abandon by fictional characters who represented the marketplace. We can see this from F. Scott Fitzgerald's *The Great Gatsby* (Fitzgerald 1925) to Oliver Stone's film *Wall Street* (Stone 1987), as market-led booms and dubious morality went hand-in-hand. The self-interested "Homo economicus" engaged in excessive consumption and corruption as the allure of lavish lifestyles threatened to undermine the moral fibre of the nation. Morality here is generally connected to notions of power insofar as some actors can exercise power over others, or can manipulate the system in what might be considered unfair or unjust ways (see Lukes 2004).

This nexus of power and morality extends to a raft of other ways that finance has been portrayed in popular culture. Scores of Depression-era films, epitomised by the work of director Frank Capra, show "big business" as morally bankrupt in its oppression of the "little guy", with bankers acting as corrupt agents that only help corporations accrue more power.[80] Later works such as *Wall Street*,

[80] It is true that Capra's most famous hero, George Bailey in *It's a Wonderful Life* (Capra 1946), was a banker; but he represented the "community banker", an altogether different animal from the usual banker portrayals. The

through its depiction of the financier Gordon Gekko and his much-cited “greed is good” speech, suggest that the financial community is prepared to upend conventional notions of morality and, left to its own devices, will inevitably lean towards corruption in the pursuit of power. Gekko hails from a long list of characters in film and literature who represent immoral forces within an amoral marketplace. This characterisation arguably calls for a strong role for the state, one which will enact and enforce rules that can prevent abuses of power, thus rewarding and encouraging more moral behaviour.

Interventionism, however, is hardly seen as the automatic answer to moral questions, at least by those who have advocated a more market-oriented paradigm. For instance, James M. Buchanan, a Nobel Prize-winning economist and former Mont Pèlerin Society president, writing about the relationship between the market, the state and morality, called for institutional reform that took into account “man’s moral limitations” (Buchanan 1978, p. 364) while still arguing for a reduced role by the state. In Buchanan’s account, a strong, centralised state erodes morality because it actually encourages self-interested behaviour; his solution to preserve both economic competition and morality was devolution of state power. In absence of reform, the state (whether the paradigm is interventionist or otherwise) remains vulnerable to regulatory capture: Buchanan warns of the “increasing resort to the power of the national government by those persons and groups who seek private profit” (Buchanan 1978, p. 368).

Turning to the immediate post-crisis period and the response among academics and the think tank community, it is clear that questions about morality posed an unusual challenge for those researchers seeking to make sense of the crisis and what, from a policy perspective, should be done in response. The post-crisis think-tank literature reviewed for this thesis makes little direct mention of morality, apart from a few scattered references to “bad” behaviour and several articles that discuss the concept

idea of community banking as morally clean, in fact, did show up in the post-crisis discourse and I would argue only served to underscore the alleged immorality of large banks.

of moral hazard. This is despite a sizeable amount of behavioural economics literature that focuses on morality.

But while the idea of morality itself may not feature prominently in the think tank articles, moral considerations still underlie many of the issues that the authors analysed. For instance, as noted in Table 3.2 (repeated below), the most common issue that think tanks sought to analyse concerned the systemic incentives that played a role in the crisis. A prime example of a systemic incentive that had moral resonance with the public– an example which will be explored in some detail in this chapter – is banker remuneration. The extent to which bankers' pay rewarded short-termism and excessive risk-taking is a systemic issue; but it is also one that can be viewed easily through a moral lens (and at times was by the news media). Similarly, a matter as technical as capital requirements can be thought of in moral terms due to the relationship between capital cushions and what, in hindsight, was deemed to be highly reckless behaviour by financial executives. Even the lack of reliable information about risks and exposures, with which banks and regulators could have made more sensible decisions, had a moral dimension. This dearth of information offers a partial explanation for why executives behaved as they did; but in light of the severe effects that those decisions had on society, such a "we didn't see it coming"[81] argument left both the financial services industry and the state open to charges of moral culpability, at least by critics of modern capitalism.

[81] See chapter five, which includes the following comment from an interview with a senior communications strategist who represented financial institutions: "The general line that most financial services companies took was, nobody saw this coming."

Table 3.2 Issues in focus in think tank literature

Issue	Publications that highlighted key regulatory issues
1. Systemic incentives	33
2. Systemic risk/TBTF/capital requirements	31
3. Government housing market activity	25
4. Transparency/access to information	11
5. Consumer protection	10
6. Investor protection	5
7. Regulation of non-bank firms	4

Table 3.2 lists the number of publications in the sample which focused on different regulatory issues. Some publications focused on more than one key issue. As a result, the sum of the totals exceeds the number of publications in the sample.

Within the broad theme of systemic incentives, the specific issue of remuneration received limited attention in the think tank literature. It was discussed at length in one instance, which was a summary of testimony by Brookings Senior Fellow Martin Baily to the House Financial Services Committee, made while Dodd-Frank was working its way through the legislative process. Of the think tanks reviewed here, Brookings was most explicitly in favour of Dodd-Frank and its aims, with authors often offering analysis or proposals that called for the state to take some action to limit financial services firms from engaging in excessively risky behaviour.[82] Baily argued that the state had a legitimate interest in setting rules for compensation, although he said officials should not seek to regulate the actual level of pay.

> There were many causes of the crisis but one of the contributory factors was that traders and CEOs were often rewarded on the basis of short term profits, encouraging them to take excessive risks that paid off handsomely in the short run but that caused large losses over a longer period. One element of a more stable financial system involves compensation structures for those in financial institutions that do not incent excessive risk taking. (Baily 2010)

[82] See chapter five and discussion of ADA scores for think tanks based on legislative voting patterns. It is broadly acknowledged that think tanks such as Cato and AEI took a consistent ideological position that favoured reduced state involvement in the private sector, while Brookings authors, depending on the topic at hand, were more sympathetic to the idea of the state becoming more involved in regulating parts of the private sector.

Baily appeared before Congress as a member of a group of economists with academic, private sector and public policy experience known as the Squam Lake Group. The group, which formed in late 2008 to discuss policymaking in light of the crisis, published a report in 2010 that received attention from lawmakers.

But this is not to say that Baily, or others in the think tank community, were focused on morality itself. In a popular debate that began decades before the financial crisis, many actors have argued that it is not possible to "legislate morality". This idea had been countered – in one case famously by Dr Martin Luther King Jr – by the argument that it was still possible to pass laws that discouraged people from committing immoral acts. But the debate highlights the problem of any legislation or rulemaking that involves understanding factors such as personal intent. Indeed, another Brookings fellow, Douglas J. Elliott, when critiquing the Volcker Rule on proprietary trading in 2012 testimony, noted that the rule rested on subjective distinctions. Operationalising it, he said, "forces regulators to peer into the hearts of bankers, which will prove to be extremely difficult, if not impossible" (Elliott 2012).

Still, the crisis did prompt some academic researchers to consider moral questions directly. For example, Weitzner and Darroch (2009) sought to determine whether moral concepts such as hubris and greed could be linked with crises; they found that the development of a shadow banking system and opaque products were motivated in part by greed, and they used their findings to argue for regulatory solutions that increased transparency.

A number of researchers beyond those in the think tank sample also focused specifically on executive pay, although several of these studies downplayed the notion that banker remuneration trends posed societal risks, or that new regulatory solutions were needed. Gregg, Jewell and Tonks (2012) concluded that it was unlikely that incentive structures induced the focus on the short term in financial services. Core and Guay (2010) registered reservations about regulatory proposals to regulate executive pay in financial services. Mehran, Morrison and Shapiro (2011), in a paper for the New York Federal Reserve, noted that bank regulators have an economic argument for controlling executive pay since the national deposit insurance system contributes to the size of a financial services firm, and size and executive pay are highly correlated. They proposed linking bankers' compensation to credit default swap spreads to address a perceived moral hazard. Tung (2011) also proposed structural changes in banker remuneration to ameliorate the "gambler's incentive" that caused firms to take risks at the expense of creditors and others.

Consensus, from this limited sample, is clearly lacking about both the nature of moral hazard or the appropriate solutions, with some proposing a more interventionist approach by the state and, others conversely calling for the avoidance of more state involvement. While consensus remained elusive on the debate about legislating morality as it related to financial markets, the academic community at least responded to the crisis by seeking to consider some of the ways in which immoral behaviour or incentives could be identified and addressed in one form or another. But as will be seen in the next two sections, the analysis that academics offered about difficult issues of morality failed to feature in news coverage.

6.2 Moral framing in news media

The *Washington Post* sample used for this thesis, covering nearly three years, comprised 97 articles. Within those articles, 929 frames were identified. Moral judgment frames were by far the rarest of all frame types categorised, accounting for less than 5% of the total number of frames (see Table 6.1 below). This result, however, should not be taken to mean that coverage of the financial crisis and its effects was not infused with moral rhetoric or discussion. For instance, a Nexis search of the *Washington Post* coverage during the same time period generated 352 articles that dealt with executive compensation, which was among the most prevalent topics that came up whenever morality was discussed.[83] Rather, the framing analysis suggests that coverage of the regulatory debate itself, in terms of moral framing, appeared to be comparatively limited. This is mildly surprising given decades of research related to news values (Galtung and Ruge 1965, Harcup and O'Neill 2010) and the obvious appeal of highlighting moral culpability for its dramatic qualities.

Table 6.1 Frame types, moral judgment frames highlighted

***Washington Post* frames**	**Problem**	**Cause**	**Solution**	**Conflict**	**Moral judgment**	**Consequence**
Interventionist	77	62	202	0	29	55
Market-oriented	8	8	61	0	6	97
Unaligned	27	19	107	136	9	27
Totals	**112**	**89**	**370**	**136**	**44**	**179**

Table 6.1 shows the total numbers of news frames from the *Washington Post* sample. As discussed in chapter three, each sentence in each article was coded based on the presence of frames grouped into six frame types.

The limited nature of moral discussion is confirmed by the number of articles in which these frames appeared, and the salience the frames received within the articles. For instance, moral judgment frames appeared at least once in 28 out of the 97 articles in the sample, or almost one in three times. Consequence frames, by comparison, appeared in 61 of the articles, or nearly two in three times. Furthermore, those passages that contained moral judgment frames were not given any extra salience. On average, a moral judgment frame appeared in the 11th paragraph of an article, the same as the average for consequence frames; 28% of the moral frames appeared in the first five paragraphs of the articles in which they appeared, compared with 21% of consequence frames that appeared in the first five paragraphs. In other words, it was much more likely that someone, when reading an article about Dodd-Frank, would hear about economic consequences with regard to proposed or enacted regulation

[83] That result was based on a search from 1 June 2009 to 31 March 2012 based on the following Boolean search string: "financial crisis" and regulation and (compensation or pay or salaries).

than that the reader would hear about morally charged views. At the same time, a reader would probably hear about these consequence or moral frames at about the same place within the articles.

We can see from the table above that when issues were framed in moral terms, it tended to take on an interventionist slant. The moral framing that appeared in the coverage fell into three main categories. First, there were frames about the powerful, generally discussing them as perpetrators of moral injustice either because of the harm they had done (or could still do) to others, or the special treatment they were receiving in terms of their remuneration or the absence of punishment. Second, there were frames about victims. Often these were ordinary people, frequently referred to as taxpayers and thus emphasising the unfairness of the situation at hand because they themselves were funding clean-up efforts. The very use of the term "taxpayer" thus has a moral quality. Victims also could be small companies caught up in the regulatory overhaul, or firms that were said to be blameless, such as community banks (of the type portrayed in Capra's *It's a Wonderful Life*). Third, there was "the system", the structural forces and arrangements that allowed moral transgressions to occur; this included frames about lack of accountability. Some frames, such as those that talked about "Wall Street versus Main Street" and how powerful banks were walking all over ordinary people, could involve two or all three of these categories.

Discussion about executive compensation, on a number of occasions, was categorised as moral judgment framing due to the way it made reference to public outrage. Just before the Dodd-Frank bill was first unveiled, for instance, one article had focused on a balancing act that the Obama administration faced in terms of how punitive it should be with financial firms. The reporters wrote: "Officials are seeking to address widespread anger over lavish Wall Street pay without discouraging firms from participating in the government's financial rescue programs." (Cho and Appelbaum 2009). A few days later, a similar reference was made: "The initiative reflects public uproar over executive compensation, which has been stoked by the financial crisis." (Cho, Goldfarb and Tse 2009) The policy decision-making here is being framed in terms of moral outrage, which has become a central factor in the policy process. The public, one could say, has a virtual seat at the policy-making table and the journalists are noting that it wants to ensure that morality be taken into account.

Public anger escalated when it was learned that the same financial firms that had taken cash infusions from the government months earlier had also earmarked some of those funds for bonuses. The *Washington Post* wrote: “The increase in set-asides for employee pay has raised the ire of Washington, where lawmakers denounced financial leaders for returning to old habits and vowed to enact measures governing executive compensation.” (Tse 2009) House Financial Services Committee Chairman Frank was quoted calling the amounts “troubling”. In the same article, President Obama complained about the lack of remorse on the part of the bankers: "With respect to compensation, I'd like to think that people would feel a little remorse and feel embarrassed and would not get million-dollar or multimillion-dollar bonuses," he said. (Tse 2009)

The bankers here are framed – by the political leaders being quoted – as morally culpable on at least three levels: for acting irresponsibly in the first place, for failing to see the error of their ways as they continued to display greed, and for compounding the misery of the taxpaying public by adding insult to injury. Finally, bankers were morally condemned for attempting to avoid accountability. Obama, in a March 2010 article, was quoted saying: "We will stand firm against any attempt by the financial sector to avoid their responsibilities: In any future crisis, the big financial companies must pay, not taxpayers." (Dennis 2010b)

Journalists were hardly short of sources who were eager to characterise bankers as greedy and reckless, although they tended to stick to political sources in their regulation-related coverage. In one of the rare occasions when the articles in the sample cited public advocacy campaigners, the moral framing was similar, if arguably a little more emotionally tinged (evidenced by a verb such as “ravaged” and the reference to multiple forms of personal harm):

> But Ed Mierzwinski of the U.S. Public Interest Research Group, a leading consumer advocate, applauded the measure. "It's been over a year and a half since taxpayers bailed out the Wall Street bankers after their reckless actions ravaged our economy and cost us our jobs, our retirement income and our homes," he said. (Cho and Dennis 2010b)

The most common frames were of the Wall Street/Main Street variety, with 13 instances where this juxtaposition was used in moral terms. A number of such frames had a distinctively Hollywood quality to them. For instance, on 11 February 2010, in an article headlined “Campaign builds for consumer protection agency; Advocates counter banks' push against stand-alone unit”, one political figure who was quoted is practically channelling the lead character from Capra’s *Mr. Smith Goes to Washington* (Capra 1939):

> "This is a classic choice that members of Congress and the Senate have," Iowa Attorney General Tom Miller said on a call Tuesday, speaking along with several other state attorneys general in support of the new consumer agency. "Senators have to ask themselves: 'Whose side am I on? Am I on the side of the public, or am I on the side of big banks?'" (Dennis 2010a)

Some of the Wall Street/Main Street frames did their job by focusing on personalities involved. Elizabeth Warren was one of the most notable people in this respect as some actors sought to portray her in Hollywood-style heroic terms, drawing on grassroots support and standing up to powerful forces. A 20 July 2010 article notes the work of Americans for Financial Reform, quoting campaigner Heather Booth in an effort to get Warren appointed to a new consumer protection agency that was created under Dodd-Frank.

> An online petition to appoint Warren drew tens of thousands of signatures, according to the Progressive Change Campaign Committee. Americans for Financial Reform, a coalition of nearly 200 consumer, labor and civil rights organizations, weighed in on her behalf. She "has shown a steadfast and tireless commitment to protecting consumers throughout her distinguished career and is without question the best candidate to run the new CFPB," the group's leader, Heather Booth, said in a statement. (Dennis 2010e)

Booth’s language frames Warren and her mission in moral terms with its description of her “steadfast and tireless commitment”. The frame evokes a Sisyphean struggle, one that must be waged against forces that seek to exploit the masses. The term “consumer protection” itself has a moral dimension in that it speaks to the need to *protect* ordinary people from malevolent, predatory corporations. Of course, political actors are well-versed in the utility of naming bills and agencies in such terms, and advocacy campaigners are equally well-versed in seeking to tap into feelings about morality as they seek to frame issues in news media.

Corporate bailouts were discussed extensively in the sample (as will be discussed in the next chapter), although those were only framed explicitly in moral terms seven times. The subject of executive compensation similarly came up regularly, although it was framed in direct moral terms only six times; more often it was framed as a contributing cause of the crisis, but without a moral context. Another common issue was negligence, in terms of officials not doing their jobs properly (six moral frames). This theme of negligence also came up also in terms of the powerful (four times) as well as borrowers (twice). Other frames in the sample included calls for banks to pay their "fair share" (Dennis and Murray 2010) and to be "held accountable" (Merle 2010), and for lawmakers to fix loopholes that Wall Street firms could exploit (Cho 2010).

There were only six distinct times in the sample when an actor framed something in terms that suggested a more market-oriented policy approach offered the morally right path. One case was based on a description of indignation at the idea that the government might rescue some borrowers when others had behaved responsibly and were paying off their debts. Other pro-market frames were focused on the perceived immorality of government interventionism such as corporate bailouts or the idea of unfair penalisation. On the eve of the bill's passage, for instance, the *Washington Post* reported on final negotiations over sticking points as Democrats sought to secure some Republican backing in order for the bill to have bipartisan support.[84] The article cited banking lobbyists who were upset about a proposed bank fee which, they said, "unfairly penalizes" banks that had been careful with their finances (Yang 2010). Framing regulatory efforts to rein in Wall Street as unfair in this way

[84] I would argue that bipartisanship in modern American politics is an important factor in whether policy is seen as legitimate in the long term. Efforts by the Obama administration, and other administrations, in recognition of the power of public narratives, have thus consistently sought to gain some degree of bipartisan support for major initiatives.

is in line with the idea that the state will inevitably be ham-fisted, a core argument made by those advocating market-led policy positions.

It is important to note that these are just handfuls of frames, and they occur in a pool of nearly 1,000 frames over an extended period in the *Washington Post* sample. In this context, the point of considering how often these frames occurred is less about suggesting that their presence or absence might have made clear impressions with the audience or in some important way coloured the news coverage text as a whole. Rather, it is to highlight the opportunities for certain types of frames in order to see the avenues that journalists – or their sources – did *not* take, as much as those that they did. For instance, in opting for consequence frames more than four times as often as for moral judgment frames, were journalists signalling something about their collective sense of the importance of economic impact as opposed to moral justice? Does this indicate a professional tendency and, if so, what are its implications? Or, were journalists simply dealing with the cards they were dealt as other actors chose the frames that suited their strategies? Those are questions which will be considered in the next two sections and in the concluding chapter of this thesis.

The underlying message with the moral frames in the sample was that wrongs had been committed and that the state should do something to correct them and prevent them in future. This is consistent with a more interventionist approach, one that is in contrast to what had been seen before the financial crisis, when consensus held that a self-correcting market should be employed as a critical tool – some would say *the* critical tool – for determining the best oversight of itself.

Considering the professional and commercial incentives for journalists to accurately reflect the public mood in their reporting, the interventionist alignment with moral framing was not unusual. As could be expected based on the economic misery that the crisis had caused, there was abundant evidence that the demonisation of banks, financial services and "Wall Street" clearly resonated with the public in the years after the crisis. In 2012, a poll by Gallup showed Americans' confidence in banking was at its lowest level since the group had begun monitoring this issue annually in 1979 (Gallup 2012).

Some 21% expressed a great deal, or quite a lot, of confidence in U.S. banks, which was about half of what it had been in June 2007, before the crisis. To put the public's feelings about the financial services industry into context, a Harris poll in August 2014 also showed little faith in banks or Wall Street, although it revealed even less trust in government (The Harris Poll 2014).[85] The poll showed 9% reporting they were more trusting of banks in the past few years, versus 50% who reported less trust (the balance of respondents either said that their view hadn't changed or that they were unsure). That trust deficit of 41 percentage points was eclipsed by the 50-point deficit for Wall Street, a category for which 7% reported more trust and 57% less. But the federal government fared worse than both. It had a trust deficit of 55 percentage points, as 8% said they were more trusting and 63% less.

There is always the risk that public polling figures can be cherry-picked to make the case for an argument, a risk that is compounded by differing survey questions, methodologies, terminology and the lack of time series data for many polls. Chapter one highlighted critiques that have been made, from an epistemological perspective, of the use of public opinion polling data as a basis for making knowledge claims. Nonetheless, bearing in mind such critiques, the results from the Gallup and Harris polling from the post-crisis period do suggest that the moral framing in the regulatory sample was reflective of a highly negative public mood about the financial industry. While the polling data may not have featured directly in coverage of Dodd-Frank, journalists covering this beat could not help but be aware of a steady stream of such polls in the midst of the crisis. Johnson-Cartee also notes how much journalists rely on public polling, often in problematic ways, as they seek "facts" (Johnson-Cartee 2005, p. 135) to legitimise their accounts.

Turning to the question of attitudes about policy paradigms, it would be a stretch to draw conclusions about the importance or effectiveness of moral framing in the regulatory coverage in terms of public opinions about the role of the state *vis-à-vis* financial markets. The evidence presented here is based on a sample of news articles from one elite news media source (however important or

[85] A 2016 poll by Harris showed Americans' perception of financial services slowly improving, with 37% saying the industry had a good reputation, up from 9% in 2009 (The Harris Poll 2016).

representative it might be) and public polling numbers that will have myriad factors informing them. Most importantly, such polling results would appear to be focused on the perceived effectiveness of government, not necessarily any desire on the part of the public for government interventionism. All we can say is that to the extent that moral framing did support an interventionist stance, this trend does not appear to be reflective of any increased sense of public confidence in the government. As this thesis concerns itself primarily with agenda-building, rather than media effects, we are interested in the factors that shaped news coverage more than the way news coverage may have shaped policy-making. In other words, we can make the case that the public may have played a role in encouraging journalists to paint bankers a certain way, but that does not mean there is evidence to suggest journalists were swayed by their sense of the public mood in choosing to include frames that mostly had an interventionist alignment.

What remains surprising – in light of the content analysis, the evidence of public attitudes and what is known generally about journalists' behaviour – is that there was not more moral framing, particularly about the sensitive and emotive topic of executive compensation. This is not only based on the dearth of moral frames compared with other frame types and topics. It is also based on the lack of coverage when there were obvious opportunities. One striking example of this could be seen from a *Washington Post* interview with Chairman Frank. In August 2010, a few weeks after the passage of Dodd-Frank, the newspaper interviewed Frank and led its article on his disclosure that he would hold a hearing on whether regulators were being tough enough in curbing Wall Street pay practices. The report explained how Dodd-Frank gave regulators powers in terms of how Wall Street firms compensated employees, although the powers were based on general principles and did not detail how banks must structure pay packages. Frank then framed Wall Street executives in terms of both their moral weakness and the need for oversight when it comes to compensation packages:

> "They've done a terrible job, because they're getting all that money," he said. "There are not institutional checks on excessive expenditures." (Goldfarb 2010)

The article discussed Frank's plans for the hearing to discuss proposals by the Squam Lake Group (see discussion in 6.1). What is noteworthy is that the *Washington Post* then did not cover the hearing itself. The circumstances surrounding this editorial decision make it all the more perplexing. Here is a newspaper that has devoted considerable resource to covering the financial regulation story; it breaks news via an interview about plans for a public hearing; the hearing concerns one of the most sensitive topics that featured in the regulatory debate; and all of this is due to take place weeks before mid-term elections, when the country will offer its first electoral verdict on the job the government is doing with regard to the financial crisis.

There may be numerous explanations as to why the *Washington Post*, or any other major news service for that matter, did not cover the hearing.[86] Dodd-Frank was, by this point, done as a legislative matter; also, the hearing featured experts but no political luminaries apart from Frank. Still, the lack of in-depth coverage does show the extent to which attention on moral issues, even for a topic as sensitive as Wall Street pay, was limited. Furthermore, the moral framing that did feature in regulatory coverage was generally based on vague references to public anger or superficial descriptions of big business, ordinary people, recklessness by the rich and a range of other tropes. Reporters in this sample seemingly were not interested in delving deeper into underlying issues and citing experts concerning matters of morality even as Occupy protestors continued to be heard.

6.3 Views from journalists and other actors

Journalists and other actors were asked in interviews about their recollections concerning the moral dimension of the financial crisis and the media's coverage of that aspect. Two major themes emerged.

[86] Two Nexis searches – one for the term "Squam Lake" and a separate one for articles that featured both "Barney Frank" and "compensation" – showed only one specialist service, SNL Bank Weekly, covered the hearing.

The first concerned the temptation to view and write about the crisis and regulation in terms of binary constructions such as heroes and villains, or good and bad. Interviewees noted how media narratives formed around binary constructions, why journalism is susceptible to them, how it occurred and the role of the journalist when covering a complex story. A second theme, which was directly related to the first, concerned accountability. This also was discussed in terms of media narrative, specifically with regards to the widespread view that actors who were morally culpable with regards to the crisis had escaped without meaningful punishment. This section will review the views expressed in those interviews, considering the behaviour of journalists and other actors, and the implications that behaviour had in the wider agenda-building process.

Binary constructions in the media

The incentives for writing in terms of heroes and villains are strong in the news media industry. This was noted by the journalists themselves as they reflected on their experiences covering the crisis, as well as by other actors who observed the journalists' work and interacted with them. One incentive was that it was simply easier to write stories this way; it clarified the subject material. A second was the hero/villain angle made articles more appealing, to editors and ultimately to readers. Finally, sources for articles invariably spoke about aspects of the crisis in this way and journalists felt an obligation to represent them faithfully.

David Enrich spoke of his early days covering the U.S. regulatory story for the *Wall Street Journal*:

> I started viewing the key story as this battle between the forces of good being the Barney Franks of the world, the Sheila Bairs[87] of the world – people like that who were aggressively advocating for a much more hands-on government role, and much tougher laws to curb some of the riskiest activity.

[87] Bair was chair of the Federal Deposit Insurance Corporation during the time of the crisis and the Dodd-Frank debate. She appeared in numerous news articles in the Dodd-Frank coverage.

Enrich said the “bad guys” in this equation were members of the Obama administration who were taking a much more measured approach, such as U.S. Treasury Secretary Tim Geithner, and of course the banks themselves.

> There’s a very easy narrative to spin here about (how) the banks, having just survived the biggest crisis since the Great Depression with the help of massive taxpayer bailouts are now pushing or they’re fighting against efforts to hold them accountable for anything.

Enrich added that it was not just resistance to oversight that fell into this narrative, but also the specific topic of executive compensation.

David Herszenhorn, who covered Dodd-Frank for the *New York Times*, voiced frustration at how the issue of compensation attracted more attention than deeper systemic issues. “Every time we talk about capping of bonuses of bankers, everybody’s excited because that’s something everybody can understand. But when you talk about regulating the multitrillion-dollar derivatives market, people’s eyes roll over,” he said, describing how the importance of someone being able to buy a Mercedes at the end of the year paled in comparison to the need to regulate synthetic products that threatened the system. He also brought up the crime-and-punishment theme. “Capping banker bonuses is somehow exciting. It’s like, you know, punishing the rich guy,” he said, adding that the Gordon Gekko stereotype registered with audiences.

The question of executive compensation, when discussed in moral terms, fits into a binary construction as the bankers in such a case were easily portrayed as villains. Herszenhorn’s comments are also borne out by cause frame data from the previous chapter, which showed morally sensitive issues such as pay and reckless behaviour by bankers showing up more than 10 times as often as cause frames involving capital requirements, which top officials had highlighted as one of the most important issues to address. Although such cause frames may have addressed moral issues, most of these did not double up as moral judgment frames because they were not discussed in explicitly moral terms.

Ledyard King of Gannett suggested the moral angle was unavoidable. “It was hard not to quote the people who were vilifying the bankers,” he said. King said that with the financial crisis he recalled that it was not so easy to decide who the heroes and villains were, unlike a story such as Enron:

> Maybe the morality of the issue was a little bit more on display (with Enron). It was easier to figure out who the bad guys were. In this case I think it was a little bit more difficult, because, if I recall right, a lot of this was sort of fuelled by real estate speculation, people over-borrowing from lenders who were over-lending…. So, everyone was kind of in on it.

This idea that everyone was “in on it”, as if the crisis came about because of a largescale scam that involved people from all corners, harks back to Narrative 3 in the previous chapter but adds a moral twist.

Campaigner Heather Booth[88], who directed AFR, had the impression that there was a lot of emphasis by the media on articles that looked at the impact on people, but she also noticed that there was a degree of victim-blaming:

> So the original story was, I think, perceived as: “Poor people got loans they couldn’t repay, and the banks were responsible in giving the poor people those loans, and so the economy fell apart, and maybe the banks were connected with each other and when one fell it was like dominos”. I think there were problems with that story in many ways, including the blame placed on the people who were in the communities.

While the interviews and content analysis both suggest that most of the moral condemnation was reserved for bankers, the idea that the victims were morally culpable clearly found a foothold, as evidenced by King’s reflective comment and Booth’s observation. This speaks to an apparently instinctive desire on the part of reporters to classify their subject matter. Herszenhorn said: “We collectively are guilty of what I call an up-down bias. In search of news we need winners to become losers, losers to become winners, you know we need the underdog to rise and the favourite to fall.”

[88] Elizabeth Warren, in her book *A Fighting Chance,* credited Booth’s work in getting certain messages out about the crisis as instrumental in the struggle to pass Dodd-Frank: “The staffers and lobbyist and lawyers for the megabanks outnumbered them by a zillion to one, but the AFR people were there—day in and day out—hammering on the need for financial reform. They worked their hearts out.” (Warren 2014, p. 147)

Robert E. Litan of Brookings Institution, one of the think tank authors in the sample, said it was not difficult to see why the heroes and villains theme came to the fore.

> Journalists like to have an easy story to tell. Telling a story about a lot of policy mistakes is complicated and it makes people's eyes glaze over. And just, why not focus on the bank robbers? It's a simple story, and I think that's what happened.

Litan himself spent two years working in media, at a government-focused service for Bloomberg. He added:

> If I put myself in the shoes of the *Washington Post* or *New York Times* editors I think their attitude was, let's focus on the personalities – the bad guys – because that's the story that sells. And so, we had a lot of stories about the personalities, about (Richard) Fuld who ran Lehman Brothers, and different people, the fall of AIG. I mean these are great stories.

Litan said the focus on Bair (whom Enrich had singled out as one of the "good" people), made sense in such a personality-driven media industry, and that this focus illustrated a key difference between news media and the analytical community.

> She was depicted as somebody who was tougher on the banks than everybody else. Now that's an easy story to tell. They didn't have to get into the nitty gritty. There was just this tough woman who was opposing all the men who basically bailed out all the banks…. Again, it's personality-driven. But that's what newspapers do. They focus on people. They're not complicated policy analysts. That's not what newspapers do.

Litan's remark about the different roles of reporters and policy analysts highlights the structural forces that encouraged binary constructions, personality-driven coverage and simple characterisations that may have little to do with the underlying work these people do. Evidence of public anger, which several of the journalists interviewed also noted, provided even more motivation.

Crime and punishment

Along with the theme of heroes and villains, the idea of accountability was a major issue that interviewees brought up, both in terms of the decisions made by the Obama administration and the media narrative that formed based on those decisions.

Litan of Brookings said:

> I would say the overwhelmingly predominant narrative about the crisis is that it was all the banks' fault and that the bank CEOs and managers got off scot-free, they didn't go to jail and they didn't get punished enough, and that the bailout was a terrible mistake.[89]

Litan argued that officials such as Bernanke and Geithner would ultimately be judged by history as having done the right thing and prevented the crisis from turning into a depression. But the reaction to the administration's position, both from the left and the right, was critical at the time. "The media always likes to have a narrative and it likes to have a story. And the story here is very easy, that the banks are villains and they're crooks and they got away scot-free," he said.

Gary Burtless, another senior fellow at Brookings whose work featured in the think tank review, offered a similar analysis and said the reality was actually the opposite.

> One of the worst effects of this misconception was that an overwhelming share of ordinary voters, whether on the left or right, were under the impression that most of the hard dollars that the federal government in the United States spent on the crisis, were devoted to bailing out malefactors, people who had done bad things in the run-up to the recession.

What happened in fact, he said, was that much of what the government spent was in ordinary countercyclical stimulus programmes that gave money broadly to the 50 states and most importantly to ordinary taxpayers. But in the government not devoting enough attention to the public narrative, and showing that the state was going after malefactors, it allowed that false narrative to take hold. "I think it was a very poor decision on the part of the Obama administration not to be very vigorous in the prosecution," he said.

Law enforcement decisions by the Obama administration appeared to support the observation by Burtless. Former AFR Director Booth sent me a document that highlighted what AFR thought of as

[89] While Litan was not one of the authors of the Brookings article that offered a framework for chapter five, his analysis here matches that of Baily and Elliott, who said the news media subscribed to a narrative that laid the bulk of the blame for the crisis with the financial sector.

victories, losses and compromises. The document said that in the Savings and Loan scandal in the 1980s, there were 1,000 FBI agents and dozens of federal prosecutors assigned to the case, and in the Enron scandal there were 100 FBI agents assigned, but that only 55 FBI agents had been committed to investigating bankers for possible prosecution.[90]

While bankers may have been vilified in the press, Booth argued that that side of the coverage did not get adequate attention. She saw the moral failings as systemic:

> It was the loans, it was the credit bureaus, it was the interconnection of the banks, it was the self-dealing of the banks … It was executives taking extraordinary bonuses. It was no agency to look where there were unscrupulous activities. It was the self-dealing of the agencies, where the regulators came out of the industry and were dealing for those industries. There was regulatory capture.

Tom Braithwaite covered post-crisis regulatory issues from Washington for the *Financial Times*. He said it was apparent in news briefings that there were some in the press corps, such as from the *New York Times*, who were sceptical about the Obama administration's apparent reluctance to prosecute executives involved in the crisis. "Now, I think, consensus is there ought to have been a harsher punishment for some of the executives involved at these institutions. At the time it wasn't immediately a sort of widespread view," Braithwaite said.

Caren Bohan, then at Reuters, recalled how reluctant Obama was to engage in the vilification of bankers, even at a time of so much public pain and anger.

> I think he was very mindful of the need to maintain stability in the banking sector, to the point where he was really reluctant to push a populist message about the banks. I remember, I think it was the end of 2009 … he used the phrase 'fat cats' to describe the bankers, and there was this big outcry[91] about it. And he never did it again. It goes to the idea that he really believed, and the people around him really believed, that maintaining a sense of calm and stability was more important than shaking things up when it came to the financial sector.

[90] Most of the contents of the document Booth sent me were contained in a statement AFR issued, which is viewable here https://ourfinancialsecurity.org/wins-and-losses/ (accessed 4 July 2019). The section on legal enforcement in Booth's document was not included in the document made available online.

[91] Evidence of the outcry could be seen in Farrell (2012). Obama later expressed bemusement at the idea that financial figures had been upset by criticism which he said had been "extraordinarily mild" (Sorkin 2016).

In Entman's cascading activation model for considering news framing, the administration has the greatest strength for introducing and promoting frames, which then cascade down to other officials and the media; but the media then are able to transmit – or "activate" – those frames, such that they begin to flow back upwards and influence state actors such as members of Congress. It was a model that Entman used to analyse foreign policy news framing, but it is also useful to consider it with respect to the episode Bohan highlights. Obama's hesitancy to forcefully promote a moral frame about bankers set the tone for the wider regulatory narrative. Litan of Brookings argued that the media narrative surrounding the Obama administration's kid-gloves treatment of bankers, with the bailouts acting as a trigger for the Tea Party, helped fracture American politics.

The role of the reporter

All of the journalists noted above discussed how they resisted the temptation to write in terms of heroes and villains, although some acknowledged such binary constructions may have influenced the way they covered the story.

One reporter, who covered the banking industry for a prominent newspaper and asked that her comments be made anonymous, spoke of how good/evil characterisations extended to political debate at the time. She said she resisted the temptation to write in those terms: "It just became so ridiculously, like, you've got to be for one side or the other and the other side is completely evil." She added:

> It's not my job to side with the Republicans or the Democrats. The job is to look at how, practically speaking, to cut through the political jargon and the divisiveness and sort of say this is how this actually would work out.

The reporter said she was proud of how her newspaper avoided taking sides. She, like several other interviewees, saw the act of drawing clear moral distinctions as potentially at odds with accurate reporting: "Our goal is to try to illuminate the truth as much as possible."

Bohan said she focused her coverage on giving readers insight into the personalities involved and into the approach the Obama administration was taking. Reuters has a newsroom culture that promotes neutrality and Bohan said that informed her editorial approach. “If you’ve worked there long enough, you don’t gravitate toward the gauzy images … like a clear hero, like a clear villain,” she said.

Francesco Guerrera, then at the *Financial Times*, said moral issues were difficult for journalists because of personal feelings, particularly if one is covering rich bankers. But he said that reporters are trained to avoid having those thoughts influence coverage.

> As a financial journalist, your job is to get close to these people. Your sources are these people. If you’re good, you tend to know a lot about these people and what you see throughout is something that you don’t experience in your own life. They are richer, they have lifestyles that you can only dream of. You see them. You may witness things that you consider immoral, for example the lavish expenditure before the crisis … And then you abstract from that and say, ‘Well I’ve got to report what they’re doing, whether it’s right or wrong, and there are two sides of the coin’.

Guerrera distinguished between financial journalists covering the crisis aftermath and general assignment reporters who had not been exposed to the world of finance and were parachuted in to cover it. He noted that often they expressed shock at the lifestyles that banking leaders were leading.

Former AFR Director Booth believed that reporters could have also pursued the question of banker accountability more aggressively.

> People said, ‘Well, you couldn’t prove it.’ Well, I think that if there’s enough resources put into something, you probably could have proved the illegal activity. And even where there were illegal activities, I think that the penalties were so modest, modest enough that the financial industry is starting to do some of the same practices again.

Simon Denyer, now at the *Washington Post*, was Washington bureau chief for Reuters during the crisis aftermath. Much of his work involved managing the teams of reporters, but he was involved in coverage, including an interview with Geithner. He said the closeness of journalists to powerful sources risked creating bias.

> I think there's a problem there, if you're getting people covering the financial industry suddenly covering a story which has multiple dimensions, they're still going to be biased towards the financial industry's take on the situation.

Denyer said reporters could end up buying into the worldview of their sources, and he believed that journalists did not spend enough time understanding the impact the crisis was having outside of the Washington D.C. Beltway.

6.4 Conclusion

As has been shown, there was a strong moral dimension to the regulatory debate, one that drew on popular notions about banking and society but took little heed of research or empirical evidence about underlying issues. The media's response to actors' use of moral rhetoric, or to news developments that had an obvious moral ramification, was complex. On the one hand, there were clear incentives for pursuing moral angles in the regulatory coverage, incentives that journalists were well aware of as evidenced by the interviews for this thesis. At the same time, they felt a professional duty to resist the temptation to write about regulation in moral terms. Evidence from a large sample of media texts highlighted the degree to which that professional concern appeared to manifest itself in diminished use of moral framing. This occurred even as journalists had the impression that they were falling into the trap of writing in moral terms and thereby obscuring issues that they felt might be more worthy of explication for the public, such as systemic issues. In other words, here was a case where journalists resisted the attractions of an easy narrative. A moral narrative about the crisis and financial regulation was there to be had, but elite news media journalists shied away from promoting it.

We can see from the *Washington Post* sample that moral framing skewed sharply towards a more interventionist policy paradigm. Yet the relative dearth of moral framing, particularly when compared with frames that focused on economic consequence, may have played an important role in shaping wider regulatory discourse. In particular, a policy position that prioritised stability in the banking industry created a significant opportunity for an anti-government movement, one which in turn favoured the pre-crisis market-oriented policy paradigm. In not aggressively framing the crisis response in terms of moral justice, over and above whatever systemic steps were being taken, the state appeared to create a vacuum that was quickly filled by the populist Tea Party movement. That, at any rate, was a conclusion drawn by some of those interviewed.

In this important regard, Obama differed sharply from the last U.S. president to face a financial crisis of this magnitude. There have been frequent comparisons of Obama's crisis response with that of Franklin Delano Roosevelt in 1933. These have largely focused on policy choices, such as when Paul Krugman, in an article for the *New York Times* in November 2008 headlined "Franklin Delano Obama?" (Krugman 2008), stressed the importance of having bold spending plans. But over and above any policy comparisons, it is worth considering the moral postures of the two presidents. Roosevelt, as noted in chapter one, chose not to go down a radical route with his policy towards banks; but he was more than comfortable lambasting bankers in moral terms. Roosevelt's speech to announce his second "New Deal" takes aim what he called the enemies of peace, which includes those who engaged in "reckless banking" (Roosevelt 1936). The speech contains one of his most famous remarks, one that emphasises a moral distinction between himself and those enemies: "They are unanimous in their hate for me – and I welcome their hatred" (Roosevelt 1936).[92] Contrast that with the careful stance that Bohan described President Obama as taking and it is clear that the moral messaging from the Obama White House was decidedly more muted than that of FDR, with its starkly drawn lines.[93]

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[92] For the text of Roosevelt's speech, see http://docs.fdrlibrary.marist.edu/od2ndst.html (accessed 4 July 2019).

[93] Sorkin (2016) also highlights the contrast in tone between Obama and Roosevelt's famous speech.

In the absence of a more forceful and consistent moral narrative from the Obama administration, elite news media proved resistant to introduce its own moral framing, making the vacuum created by the government's cautious approach all the more glaring. It was to this that Litan was referring when he highlighted the fracturing of American politics, with the result being that an anti-statist movement hijacked the regulatory debate. The question for the public was, where was the justice? The Tea Party was prepared to at least ask that question. The state and the elite news media – for various reasons – appeared to be less inclined to do so.

An important premise in the idea of statism is that some sense of fairness or morality demands an interventionist approach to compensate both for the cold rationality of the market economy and the prospect that the market's self-correcting properties are not infallible. This is not to say that advocates of market-oriented policies do not believe they have moral arguments to make as well, as seen in the case made by Buchanan and in the handful of market-oriented frames that were classified in the moral judgment category. In fact, Hayek's *The Road to Serfdom* (1944), as highlighted in the previous chapter, can be read as a moral treatise dealing with the implications of restricting people's personal choice as much as it is an economic text. Some of the most prominent neoliberal economists, notably Friedman, have sought to turn conventional notions of morality on their head by suggesting that the power of the market to generate prosperity is its own moral justification. To give but one example, Friedman, at the beginning of his "Free to Choose" television series, offers a defence for sweat shops; he noted how one particular poorly ventilated, overcrowded factory that pays sub-union wages and violates workers' rights was at least giving its employees the chance to better their lives (*Free to Choose: Part 1 of 10 The Power of the Market* 1980). The moral message is: the nanny state needs to back off and let the market economy administer tough love while also offering opportunity.

The broad point here is that morality lies at the centre of financial policy paradigmatic debate as much as economic consequence, even if it did not show up as much in the news media sample. Historically, one of the successes of those arguing for a market-oriented paradigm has been the ability to frame economic consequence itself as a moral issue. These market economy advocates ask: If interventionism can be equated with sub-optimum economic results, does that not in itself make a market-oriented policy morally superior? In that regard, the dearth of moral discussion in the Dodd-Frank debate can be seen to have fortified the case for maintaining the paradigmatic status quo. Furthermore, the administration and elite news media were proving unwilling to engage in the moral element of financial regulation, either by charging those perceived to be responsible for the crisis more vigorously in the court of popular opinion or, in the case of the state, charging them formally in actual courts of law. Both sets of actors were apparently out of step with the popular mood, either for professional or practical reasons. But this only provided an opportunity for a movement that was arguably more in touch with public sentiment to make its case for reducing state power altogether. Journalists' notions about the professional importance of neutrality and the resulting avoidance of more thorough moral discussion can thus be seen as facilitating a limited discourse about the failings of the market. That, in turned, arguably only served to reinforce the prevailing market-oriented paradigm.

It is a gross exaggeration to say that the bankers got off scot-free. As Burtless of Brookings told me, that narrative does not hold up to close scrutiny as many top executives lost their jobs and a significant portion of their wealth. But the evidence from this chapter suggests that with a stronger, morality-based narrative from the state and from elite news media, their punishment could have been quite a lot worse.

Chapter 7

Framing the future: Systemic risk and the consequences of regulation

The last case study examines post-crisis debate about the consequences of the regulatory response to the financial crisis, as it was being formulated and implemented. A major theme in the discourse was a perception that a balancing act needed to take place between addressing systemic risk in the long term and not harming the economy in the short term. Within that, the concept of banks being "too big to fail" (TBTF) was a focal point. The scope for TBTF institutions to come into existence, and the dilemma of what to do when this occurred, were considered by many regulators to be among the most important – and by some to be *the* most important – of issues needing attention after the crisis (see chapter three). This was also an issue that was intrinsically connected with one of the major flashpoints in the post-crisis discourse, the taxpayer-funded bailouts of major financial firms.

This case study explores public discourse surrounding systemic risk and the impact of regulation on the economy by focusing on consequence frames in news media. These can be employed as part of one or more policy narrative strategies, such as spelling out or quantifying costs and benefits, or identifying winners and losers (McBeth et al. 2007). Furthermore, uncertainty among experts about policy impacts and the amount of time it takes for people to experience the effects of policy decisions make for weak feedback mechanisms and add to the incentive for political actors to make arguments in terms of consequences (Jerit 2009). Such "predictive appeals" have been an understudied phenomenon within the framing literature (Jerit 2009, p. 412), despite their abundance in political communication. This chapter will highlight patterns in paradigmatically aligned consequence frames from different actors; in so doing it will show how this aspect of political communication formed a linchpin of agenda-building efforts.

The chapter begins with an overview of the concept of TBTF, a term that turns out to be deceptively complex; as part of that, I offer a policy framework for thinking about TBTF and describe two opposing narratives that emerged concerning systemic risk and the potential costs of either government action or inaction. Using that framework and those narrative descriptions, sections two and three will examine discourse about TBTF, bailouts and the consequences of financial regulation. Section two looks at non-media actors using unmediated texts, while section three considers news media coverage. Section four will consider the views of journalists and other actors, based on interviews with them, in an effort to examine potential influences on media production and what may account for the patterns that emerged in the content analysis. The chapter will conclude with a summary of the evidence presented, drawing two conclusions about post-crisis discourse in terms of systemic risk and regulatory consequences. The first is that a range of actors worked in concert to promote a market-oriented paradigm with increasing strength and sophistication soon after the crisis, despite the anomaly that the crisis represented. The second is that these agenda-building efforts proved remarkably successful in dominating the news sample. The chapter offers a theory that these concerted agenda-building efforts were successful due to not only their sophistication but also systemic factors in the news media industry. Those systemic factors included the loss of institutional memory and journalistic practices that produced ambiguity when clarity was called for. What is more, awareness of agenda-building efforts by various actors did not necessarily provide a defence against those efforts. Journalists who had extensive experience and who were armed with deep specialist knowledge made clear that they were aware of when sources were trying to use spin. And yet, a clear pattern still emerged that favoured a paradigm that had just been brought into question by the crisis.

7.1 The complex nature of TBTF

The phrase “too big to fail” became closely associated with the 2008 financial crisis after the U.S. government, facing significant market distress following the collapse of Lehman Brothers, intervened to support several large financial institutions. As of June 2020, a Google search on “TBTF” generated 354,000 results.[94] A worldwide search on Google Trends showed searches for the acronym spiking in the spring of 2008, as the government engineered a bailout of investment bank Bear Stearns prior to the sale of that bank to JP Morgan Chase, an event that presaged the wider upheaval of autumn 2008.

But TBTF as a concept had been in existence for nearly a quarter-century by that point, and its origins go back further, beginning with a policy shift in 1950 by the Federal Depository Insurance Corp. (Dymski 2011; Morgan and Stiroh 2005). Prior to that time, U.S. regulators’ options in the event of an imminent bank failure were to shutter the firm and pay off deposits that were insured, or to facilitate an acquisition by another bank that would assume the stricken bank’s liabilities. In 1950, a third option was developed: the government could support a bank if its continued operation was deemed “essential” (Dymski 2011, p. 5). That third option was what occurred in the early 1980s when the government injected capital into Continental Illinois Bank, then the nation’s seventh-largest bank, after it had undertaken an aggressive growth strategy that left it with large amounts of bad debt.

As a matter of historical record, there is disagreement as to who coined the term “too big to fail”, although not about when it was first used.[95] One figure from a 1984 Congressional hearing who used it, and who has been cited in some cases as its originator, was Congressman Stewart B. McKinney*:*

[94] Apart from scattered references to “Tampa Bay Technology Forum” and a few other entities, the overwhelming majority of retrievals concerned the issue of “too big to fail”. A previous search in 2018 showed nearly a million results, although Google’s search algorithm appears to have changed since them.

[95] Dymski says C.V. Conover, a regulator who was called to testify before Congress in 1984, used the phrase. My own review of the 655-page hearing transcript did not show Conover using the term, although at one point he did respond to a question as to whether institutions of certain sizes *“*simply are not allowed to fail or cannot be allowed to fail” (U.S. House Committee on Banking, Finance and Urban Affairs 1984, p. 292).

> Mr. Chairman, let us not bandy words. We have a new kind of bank. It is called too big to fail. TBTF, and it is a wonderful bank. (U.S. House Committee on Banking, Finance and Urban Affairs 1984, p. 300)[96]

McKinney's use of the acronym is striking in that it anticipated a time when the concept would become so ubiquitous that the acronym would become common.

TBTF generated political and regulatory discussion in the mid-1980s, and academic analysis over the ensuing two decades, but it was not until the events surrounding the 2008 crisis that the issue gained widespread public currency due to the scale of the upheaval.[97] Despite the apparent simplicity of the term, TBTF is complex. It has two major meanings depending on whether one is referring to 1) a policy by the state with regards to the potential failure of a systemically important institution, or 2) a status conferred on a firm, where it is believed by the marketplace or other communities that the state would not allow it to fail (Dymski 2011). Furthermore, questions about policy need to be considered in two ways: either in a prudential/preventative sense before a TBTF event has emerged, or in a reactive sense when the possible collapse of a systemically important bank appears to be imminent or has just occurred. Whether referring to policy or status, TBTF is associated with problems, some historically demonstrable. I have identified at least four major problems that have been referenced in regards to TBTF:

- **Systemic risk and contagion:** The notion of contagion concerns the risk of catastrophic disruption from the hypothetical failure of institutions due to their interconnectedness with other firms.
- **Moral hazard:** This is when a widespread belief that the government will step in to prevent a failure leads to bad behaviour by participants (e.g. excessive risk-taking).
- **Marketplace distortions:** This refers to the effects from market participants believing a TBTF policy is in place or will be adopted; typically, this would take the form of firms which have been deemed to have the status of TBTF gaining an advantage because they receive

[96] See https://fraser.stlouisfed.org/files/docs/historical/house/house_cinb1984.pdf (Accessed 20 June 2020).

[97] In addition to the Google data, there is evidence that the term had strong resonance with the public from the success of the book *Too Big to Fail: The Inside Story of How Wall Street and Washington Fought to Save the Financial System – and Themselves* (Sorkin 2009), and of the 2011 movie based on the book.

lower borrowing costs than their rivals, based on the presumption that the government will cover their debts if need be.

- **Unfairness to taxpayers:** This is due to the cost of government bailouts in the actual or hypothetical event of a failure or near-failure of an institution. The perceived unfairness stems from both the idea that the financial burden has been placed on people who were not directly connected to the causes of the collapse, and the wealth disparity between average citizens and highly paid executives at the banks receiving bailouts.[98]

All four problems come up regularly in political economy literature about TBTF and they are interrelated. The moral hazard can result in a distorted marketplace, which in theory can increase the likelihood of systemic risk by increasing the amount of risk-taking a firm is able to engage in. That in turn can increase the likelihood of taxpayer-funded support if the firm runs into trouble. TBTF could thus be used with reference to any one of these problems or to a combination of them. To give one example, when President Obama announced his support for the so-called Volcker Plan, in January 2010 as part of the Dodd-Frank legislative effort, he said: "Never again will the American taxpayer be held hostage by a bank that is 'too big to fail'." (White House Office of the Press Secretary 2010) In this instance, Obama used the term to refer to a bank's status and the government's intention of not being forced to adopt a TBTF policy. He focused on the fourth problem, unfairness to taxpayers, although his full remarks also referenced the other three TBTF problems noted above.

A framework for considering TBTF

TBTF can have radically different meanings depending on its usage. The following framework for discussing the intersection of TBTF *policy* and TBTF *status* considers policy options before a bank has reached TBTF status (A1 to A4) and once such a status has been reached (B1 to B4).

[98] The unfairness of the problem was neatly captured by the notion that the government was "privatising profits and socialising losses". Variants of that phrase had been used before the crisis (see Chomsky 2006), though it gained currency in the aftermath, with news media frequently using it as well as prominent economists such as Stiglitz (CNBC 2010).

A. Main policy options before a bank achieves TBTF status

1. Minimal state regulation, with little to no focus on bank size or systemic importance
2. Minimal state regulation and a ban on corporate bailouts
3. Preventative measures to keep firms from becoming TBTF, without ruling out bailouts
4. Preventative measures and a ban on corporate bailouts

B. Main policy options after a bank achieves TBTF status and is deemed to be at risk

1. No state action, leaving the market to decide the firm's fate
2. State-run administration, leading to liquidation, break-up or nationalisation
3. State-sponsored rescue with punitive terms
4. State-sponsored rescue without punitive terms

The policy debate that ensued after 2008 involved combinations of these eight policy positions (and possibly others), based on actual events and counterfactual analysis.[99] These positions fit squarely into the different generic paradigms defined in chapter three:

Market-oriented paradigm:	A1, A2, B1
Interventionist paradigm:	A3, B2, B3, B4

A4 is a hybrid option in that it calls for interventionism before a bank achieves TBTF status, but a market-oriented policy if a bank somehow does still reach that status; arguably, in banning bailouts, it leans more to the market-oriented side. Bailouts and TBTF are inextricably linked in this framework; the presence or absence of bailouts is a feature in all four of the "B" options.

The broadness of the TBTF phrase, which manages to simultaneously contain all eight of these distinct policy positions, makes it possible for the concept to represent radically different ideas for different actors. Actors as far apart ideologically as Cato Institute and Americans for Financial Reform could both refer to TBTF and bailouts in highly critical terms, with each referring to completely different policies and holding different views about the efficacy of one paradigm versus another. It is therefore helpful to bear in mind which of these eight policies is being referenced in either policy or discourse.

[99] These policy options are not exhaustive; also, all four of the "B" options are based on the premise that the state has been unable to facilitate a buyer for a stricken TBTF firm without state funds.

Applying the TBTF framework to the crisis

Considering the situation leading up to and immediately after the collapse of Lehman Brothers, we could characterise the state as broadly following A1 (minimal regulation), but then showing erratic behaviour when faced with firms that had achieved TBTF status. The state intervened to subsidise a takeover deal for Bear Stearns months before Lehman (Baker and McArthur 2009) in an example of B4 (rescue without punitive terms), then sought to take a tough stance with a B1 policy (no state support) for Lehman, before switching again to B4 for a number of major banks and for insurer AIG once the fallout from the Lehman decision became apparent.

In light of the Overton Window notion that links policy legitimacy to public opinion, the Bush administration had reason to believe it might have made a mistake in temporarily abandoning the principles of a market-oriented paradigm in order to rescue Bear Stearns. A Gallup Poll in March 2008 showed that 61% of Americans opposed the federal government taking steps to prevent Wall Street investment firms from failing (Gallup 2008). This came after a Senate committee hearing, in which administration officials were sharply questioned about the too-big-to-fail concept and in which U.S. Federal Reserve Chairman Ben Bernanke defended the rescue decision (United States Senate Committee on Banking, Housing and Urban Affairs 2008).

In considering each of these policy options, policymakers, analysts and commentators must weigh a combination of factors, including policy effectiveness, economic impacts, perceived fairness and ideological alignment. The economic implications often featured heavily in debates. For instance, the interventionist policies of A3 and A4 (preventative measures, with or without a ban on corporate bailouts) may have costs for banks or other businesses, thus potentially affecting the economy. On the other hand, the market-oriented policy of B1 (allowing a systemically important firm to fail) potentially has enormous costs for the economy, which became immediately clear after

Lehman and, according to numerous accounts, thus induced the government to switch to the interventionist B4 policy for other firms such as AIG.

Dodd-Frank adopts a version of A3, with a number of provisions aimed at preventing banks from reaching TBTF status (see Appendix 1). It adopted one significant B2 measure called the Orderly Resolution Authority, while leaving open the possibility of B3 or B4 policies if TBTF concerns dictated. Dodd-Frank did not ban bailouts (A4), although protracted Congressional debate led to language that set limits on how public funds could be used for supporting private sector firms. Barr (2011) credits the Orderly Resolution Authority, with being a significant policy innovation: “Before Dodd-Frank, the government did not have the authority to unwind large, highly leveraged, and substantially interconnected financial firms that failed – such as Bear Stearns, Lehman Brothers, and AIG – without disrupting the broader financial system.”

But it should also be noted that the government rejected a more draconian version of B2 when carrying out its rescue programme in late 2008 and into 2009. Historian Adam Tooze, reviewing the crisis on its 10-year anniversary, saw this as evidence of a reluctance to embrace a more decisive policy shift. “The kind of deep conservativism of the crisis response can be measured by the fact that none of the big banks were broken up,” he told an interviewer (Slate 2018). Unlike policymakers in Britain and elsewhere in Europe, U.S. politicians and regulators also seemed to give little consideration to the possibility of bank nationalisation, even on a temporary basis. In Britain, for instance, Northern Rock and Bradford & Bingley were fully nationalised, while the government took a majority stake in Royal Bank of Scotland and stakes in other firms as a result of the crisis (Parliament. House of Commons 2009).

There is a historical rationale for the U.S. resistance to nationalisation, one that showed that aspects of the market-oriented paradigm were not accepted as wholeheartedly in Europe before the crisis as in the United States. Véron and Goldstein (2011) observe:

> Because the continent is composed of independent, generally centralized nation-states with strong cross-border financial linkages, national governments have been encouraged to favor the emergence of a strong and autonomous national financial sector that could successfully compete with its neighbors. Thus, the inclination is generally to protect and foster "national banking champions." When these run into difficulties the inclination is to prevent their disappearance or foreign takeover by forcing domestic consolidation or, if this option is not available, by nationalization. (Véron and Goldstein 2011, p.6)

In the United States, as had been the case for President Roosevelt in the 1930s (Schlesinger 1958), the idea of nationalisation was considered too radical and anti-capitalist a solution and was largely excluded from debate. It received comparatively little attention in the post-crisis think tank literature and virtually none in the news media sample.

Paradigmatic discourse

In terms of understanding the tenor and direction of the post-crisis discourse, it thus becomes important to gain clarity about 1) which of the eight policy options were being promoted by actors at any given time, 2) the consequences linked to those policy options that were being highlighted, and 3) which of the policy options and consequences dominated the discourse. Finally, discourse about TBTF falls within a wider debate concerning regulatory consequences, based on the two narrative descriptions for the two paradigms offered in chapter three.

Chapter five was based on understanding the ways that different actors contributed to three different narratives identified by Brookings Institution about the causes of the crisis. For this chapter, I will adopt the same idea, working from two narratives about TBTF policy options and their consequences. Each narrative is based on the principles of a paradigm, with Narrative 1 articulating the case for a market-oriented paradigm and Narrative 2 for an interventionist one. Each is in line with the paradigmatic narrative descriptions that featured in chapter three and provided the basis for coding decisions.

> **Narrative 1: The system still works, let the market do its job**
>
> Measures to constrain banks, such as higher capital requirements, may not be effective and will harm businesses and taxpayers. It was an expectation by banks that the state would always rescue them that had induced them to act so recklessly, so interventionism will only cause more bailouts. A ban on bailouts is needed to convince firms to act responsibly. No bank should be considered too big to fail, and whatever pain is felt from a collapse will serve to reinforce market principles.
>
> **Narrative 2: The system is broken and needs to be fixed**
>
> Banks have shown they cannot oversee themselves. Without state intervention, banks will inevitably become TBTF again, eventually hurting the economy and requiring more bailouts. That would be a far higher cost than any economy-dampening effect from tighter regulation. Higher capital adequacy levels and other preventative measures are needed. The crisis has also shown that not offering support for systemically important firms when they are in trouble is a recipe for disaster.

Both narratives are forward-looking (consequence frames) and both are focused on policy effectiveness. To the extent that statements about TBTF by actors are internally consistent, they will generally line up with one narrative or another. For instance, the Obama statement about the Volcker Plan referenced above rejects Narrative 1 and embraces Narrative 2. In the next two sections, I will examine which actors' statements promoted which narrative, and which narrative gained traction in elite news media.

7.2 TBTF discourse and regulatory consequences

This section will consider the views from five different actor groups about TBTF policy. The section focuses on unmediated texts that show the ways independent elites, state actors, the financial industry, public advocacy campaigners and the public lined up behind either Narrative 1 or Narrative 2, using the TBTF framework in section 7.1. to identify points of alignment.

Independent elites: A think tank debate about TBTF

As noted previously, the review of think tank publications showed a clear split along interventionist and market-based lines. Two of the think tanks, AEI and Cato Institute, consistently featured arguments that aligned with Narrative 1 and favoured a market-oriented paradigm, with a heavy emphasis on reducing state involvement in matters of private commerce wherever possible. The other three think tanks in the sample often lined up behind interventionist ideas and made Narrative 2-type arguments, seeing a clear role for the state to address regulatory gaps and focusing their attention on optimising the administration's response.

Among the think tanks that focused on preventative measures (A3 and A4), a recurring theme in the writings boiled the question down to a size-or-scrutiny approach for how to view and respond to bank activity. Gary Burtless, writing for Brookings Institution before the passage of Dodd-Frank, articulated this by identifying two main options for regulators to address TBTF:

> First, they can establish rules that shrink the maximum permitted size of U.S. banks and other financial entities.… A second option is to increase the capital requirements of large institutions above those of smaller institutions and to subject the biggest institutions to more stringent rules and tighter regulatory scrutiny. (Burtless 2009).

Mishkin, writing for National Bureau of Economic Research (NBER) after the law's enactment, offered an almost identical analysis. He said one way to address TBTF was to limit the size of financial institutions, either by breaking up large financial institutions or limiting their activities; an alternative view would be to subject systemically important institutions to greater regulatory oversight (Mishkin 2010). The Peterson Institute for International Economics (PIIE) also considered size-or-scrutiny, including within that latter category efforts to make firms less risky from a systematic perspective. "If even huge financial conglomerates can fail without creating major market instability, then their bigness becomes less of an inherent problem." (Véron and Goldstein 2011, p. 25)

Authors at all three think tanks largely favoured heightened oversight as opposed to the more radical stance of advocating size limitations.[100] Burtless concluded that one of the two options must be adopted one way or another since events had shown that the risks of the status quo were too great. Mishkin said Dodd-Frank was "likely to help limit moral hazard because it gives the government a big stick to force systemically important financial institutions to desist from risk taking or to raise more capital—or else to face a government takeover that imposes costs on managers and shareholders" (Mishkin 2010).

Meanwhile, Cato and AEI made the case for a market-oriented policy approach in line with Narrative 1.[101] Kling at Cato criticised Dodd-Frank for giving broad discretionary power to regulators and saw this as creating fresh problems when it came to TBTF.

> No matter how loudly the regulators proclaim that they will not bail out failing institutions, history shows that when a crisis comes the officials in charge would rather do a bailout than face the uncertainty associated with shutting an institution down. Large failing banks will only be closed if there are strict rules in place that tie the regulators' hands to make bailouts impossible. (Kling 2010)

Kling makes the case for minimal regulation and the banning of bailouts (A2). He focused on why a TBTF policy of rescuing stricken banks is inevitable unless formally ruled out. He wrote that "the crisis itself clearly resulted from the misuse of regulatory power in the first place" (Kling 2010). He listed government capital regulations that steered banks toward AAA-rated securities as one example since that led to bank complacency about risk.

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[100] It is worth pausing to consider why the "size" option did not get more serious attention. Apart from the practical issue of determining what constitutes an inappropriate size (a question that would trouble regulators in trying to define SIFIs), one predictable policy outcome from any effort to limit banks' size would be the loss of competitiveness against larger foreign rivals. This point was highlighted by some state actors.

[101] Cato's and AEI's authors are nearly uniform in their free market advocacy, although occasionally they featured writings that did not line up neatly with the tenets of their chosen paradigm or with a wider ideology. An example would be Cato's White, who argued for prudential regulation to ameliorate the effects of any collapse of a large financial firm: "Had more effective prudential regulation been in place at the time, the consequences of the collapse of the housing bubble surely would have been far milder." (White 2011, p. 617) Such regulation, he says, would have made the bubble smaller as less-leveraged firms would have less to invest in bubble-inflating assets.

Wallison at AEI argued against the importance of TBTF as a policy priority at all because he disputed the notion that the knock-on effects of a large institution were the cause of the crisis. Rather, he held that the crisis was caused by a common shock from the general decline of a widely held asset, in this case $2 trillion in mortgage-backed securities (Wallison 2011, 2012). He rejected the need for Dodd-Frank's tougher regulation on large financial firms and provisions for the state being able to wind them down. "It is no exaggeration to say that the orderly resolution provisions are the heart of the DFA," Wallison wrote, referring to the Dodd-Frank Act. (Wallison 2011) "These provisions, together with the special 'stringent' regulation mandated for large, 'systemically significant' financial institutions, are based on the assumption that the 2008 financial crisis was caused by the failure of a large financial institution and that future financial crises will stem from the same cause." (Wallison 2011) Here Wallison is making an argument for the A1 policy option before a TBTF event. He supports this with an argument that such a failure (Lehman) did not actually pose systemic risk because other firms ultimately survived it. This, like Kling's argument, is tantamount to the Let-Detroit-Fail position that soon-to-be-presidential candidate Mitt Romney offered (Romney 2008) when the crisis was near its apex[102]. It is at the core of the B1 position.

The discussion above lays out differing views among think tanks as to the eight policy options, but it does not indicate which narrative held more sway with other actors. To the extent that think tanks have general ideological leanings (as seen in Groseclose and Milyo 2005), their prominence in Congressional political debate would appear to be dependent on which political party controls a committee at any given time.

To test this idea in terms of the financial regulatory debate, I reviewed all examples of testimony by representatives of Brookings Institution and Cato Institute before the two finance committees in the House and the Senate between June 2009 and March 2012. Cato representatives testified 11 times

[102] Romney took this position about bailouts for the auto industry in an editorial for the *New York Times* headlined "Let Detroit Go Bankrupt" in November 2008 (Romney 2008).

during this period, with all but two instances coming after the mid-term elections, when Republicans took control of the House. Appearances by representatives for Brookings, which had a more centrist ideological score in the Groseclose and Milyo study, were more evenly split but decreased after the mid-terms. There were 13 examples of testimony during this period, with eight occurring when Democrats held both houses of Congress and five after the election.

Three findings are thus clear from the analysis: 1) that arguments for both Narrative 1 and Narrative 2 were forcefully made in the leading think tank literature in the 2009-2012 period, 2) that those arguments lined up with the ideological orientation of the think tanks, and 3) that the prominence in Congressional debate of think tanks favouring one or the other narrative depended largely on what the political actors in power wanted to hear. Once voters elected more Republicans to Congress, the prominence in Congressional debate of a think tank favouring Narrative 1 increased substantially.

State actors: Grappling with TBTF and bailouts

As indicated by the analysis of think tank prominence in Congressional committee testimony, partisanship played a significant role in terms of what narrative was adopted by different state actors.

House Financial Services Committee Chairman Barney Frank, a Democrat, gave what his office called a major speech in July 2009, as the legislative process was getting underway. In a Q&A afterwards, a transcript of which was released by his office, Frank made a series of points that mirror the interventionist Narrative 2, in particular the A3 policy option of preventative measures:

> It (TBTF) should not exist, and if we do this job right, it will not exist. Part of our major core set of principles here is – and legislation – first, to set up a set of regulations that will keep people from getting too big to fail, in part by severe limitations on leverage. There will be at several places in this system, at the systemic risk regulator and then the day-to-day prudential regulators, the ability to say to any entity, ‘you have to raise your capital, you're overextended’… (States News Service 2009)

Frank followed that up by chairing Congressional hearings during which TBTF was a major focus, ultimately leading to legislation that contained provisions aimed at the TBTF concept, as noted in the previous section.

Republican Congressman Spencer Bachus was the senior minority member on the House Financial Services Committee when Dodd-Frank was working its way through Congress; after the Republicans won control of the House, he became the finance committee chair. An interview with Forbes magazine in September 2009 highlighted his views on TBTF and showed them to be in line with Narrative 1. In discussing the idea that some had proposed of limiting the size of banks, Bachus said:

> The negative there: Do we want to limit the size of our corporations? From a global competitiveness [standpoint], I believe we need companies of the size that they can compete with some of the large European [firms]… (Wingfield 2009)

Asked if that meant it might be necessary to allow for the existence of some firms that might be considered too big to fail, Bachus responded: “I wouldn't dismiss that.... If you determine too big to fail then you're also saying too small to save, which is to me very unfair.” In Congressional hearings following those comments, Bachus repeatedly emphasised that any regulatory solution should not involve regulatory entities being authorised to use taxpayer funds to rescue stricken firms, and he called for a provision that prohibited such funds being used (U.S. House Committee on Financial Services 2009b). He thus objected to the idea of the state trying to decide the appropriate size for financial institutions (A1) and the idea that it might use funds to respond to a bank failure (B1), both positions that are consistent with the market-oriented Narrative 1.

The reference to the two Congressional leaders above demonstrates the allegiances to the two differing narratives. But a key question is which narrative dominated the discourse among political actors. One text that can be interrogated for understanding narrative dominance among them is the Congressional Record. It contains everything that is said on the floor of Congress. A search of the Congressional Record for the term “too big to fail” shows a striking pattern.

Year	References to "too big to fail"
2008	27
2009	157
2010	303
2011	33
2012	25

A sharp drop-off can be seen in 2011, after Republicans took over the House of Representatives. According to Narrative 1, the state should not take any action about TBTF either before or after a bank reaches that status. Consistent with the remarks from Bachus, those who subscribe to Narrative 1 do not worry about the idea of TBTF because a market-oriented paradigm does not accept there is such a point at which a firm should be considered ineligible for failing. The degree to which TBTF was a major talking point in Congress during the 2009-2010 period, and then immediately ceased to be, can be seen as one indicator of Narrative 1 coming into the ascendency from 2011. Furthermore, when TBTF featured in Congressional hearings in the 2009-2010 period, a substantial amount of that debate concerned political actors arguing that TBTF as a concept should not exist or that defining the concept was fraught with problems.[103]

The pattern above to some degree reflects the intensity of regulatory discourse, which was naturally strongest in the 2009-2010 period when Dodd-Frank was being debated, and then immediate decreased after the law was passed. This can also be seen by performing the same analysis on TBTF's sister term, "bailout":

Year	References to "bailout"
2008	300
2009	597
2010	360
2011	177
2012	101

[103] Examples of this in particular could be seen in a 29 October 2009 hearing that focused on TBTF (U.S. House Committee on Financial Services 2009d).

But there is an important distinction. While the data for the term “bailout” also shows a drop-off after 2010, as the amount of regulatory debate diminished following the passage of Dodd-Frank, the decline was nowhere near so steep as in the case of TBTF. A narrative based on an interventionist paradigm needs to grapple with TBTF *and* with bailouts. A narrative based on a market-oriented paradigm also grapples with bailouts, but it links the discussion to interventionism, not banks’ underlying behaviour. This is highly similar to the discussion about cause narratives, where the narratives that favoured interventionism included the financial industry as a chief cause of the crisis, while the narrative based on a market-oriented paradigm focused on the government as a cause.

Financial industry actors: Congressional testimony

As noted in chapter five, the financial industry kept a low public profile in the aftermath of the crisis, however industry figures were called on to testify before Congressional committees. Testimony from officials from the Financial Services Roundtable was reviewed for any references to “too big to fail” during the period from 1 June 2009 to 31 March 2012.

During this period there were five instances when a representative from the Financial Services Roundtable testified in a hearing about the concept of “too big to fail”. The organisation consistently questioned the validity of the notion of TBTF. On 5 March 2009, Financial Services Roundtable Chief Executive Officer Steven Bartlett testified:

> The definition of ``systemic risk" should not be size based and thus, avoiding the too big to fail syndrome. Rather, systemic risk would be any risk to the broader system that can arise from the collective actions of hundreds or from significant actions of a few. (U.S. House Committee on Financial Services 2009a)

In separate testimony 12 days later, Bartlett said “we are not ones who agree with too-big-to-fail", saying practices and activities were what needed focus (U.S. House Committee on Financial Services 2009b). And on 29 October 2009, another Roundtable official, Scott Talbott, stated the organisation’s opposition to the phrase in categorical terms, referencing Schumpeter's famous phrase about capitalism:

> We oppose the idea of ``too-big-to-fail," and believe that if a firm is going to fail, it should be allowed to fail. Creative destruction is part of the market system. The key here is to strengthen the regulatory framework to spot developing trends, and then if the firm does fail, to minimize the effects of its demise on the entire system. (U.S. House Committee on Financial Services 2009d)

The testimony shows consistent arguments by industry officials for Narrative 1, suggesting TBTF was not a valid concept and that the state should not step in to rescue firms.

Public advocacy actors: A critique of TBTF

Americans for Financial Reform referenced TBTF specifically in its list of priorities. The list includes the following objective: "An end to megabank bailouts and financial institutions that are 'too big to fail'" (Americans for Financial Reform 2020).

The organisation issued a news release on 30 October 2009 calling on House Financial Services Committee Chairman Frank to adjust the approach that was being taken (Americans for Financial Reform 2009b). AFR supported higher capital requirements for systemically important firms, in line with the A3 policy option and the interventionist Narrative 2 described earlier. It called for regulatory reform that would mean the government would break up any institution that it put into a resolution process, differentiating itself from the interventionist-aligned think tanks that focused on scrutiny rather than size.

In a 2 December 2009 news release, the group also suggested regulatory capture had played a part in the crisis response, saying the Federal Reserve, in dealing with stricken banks, had conflicts of interest (Americans for Financial Reform 2009c). AFR voiced concern that actions taken by the Federal Reserve to that point had left some banks larger than they were prior to the crisis. It called for an independent public body to be put in charge of resolution issues for large financial institutions. This suggests AFR had concerns about B4-style responses to TBTF events (rescues without punitive terms), although the group's arguments all fell squarely within Narrative 2.

The public: Salience of the bailout issue

Public polling between 2009 and 2012 suggests the issue of government bailouts resonated strongly with the public and that official state policy was unpopular throughout an extended crisis period. A January 2009 poll showed 61% of respondents opposed more money being provided for banks after an initial cash infusion by the government (CNN/Opinion Research Corporation 2009). Lowrey (2011) cited a Bloomberg poll from October 2010 that found only 24% of respondents felt the government's Troubled Asset Relief Program (TARP) had helped revive the economy. The Harris Poll found 65% of respondents opposed bailouts for the banks in 2009 and that by 2012 a plurality (48% to 23%) believed it had been a mistake to bail them out (The Harris Poll 2012).[104]

It could be a mistake to read too much into such polling results in terms of the dominance of a given narrative within public discourse. But the results above show that Narrative 1, with its focus on banning bailouts, had grounds for appeal despite the effects of the collapse of Lehman Brothers. The polling data suggest that Narrative 2, which highlights the economic pain that is felt when a TBTF bank collapses, had not succeeded in making as strong an impression.

Considering non-media actors together

Taken together, the findings indicate that when it came to considering the TBTF/bailout question, Narrative 1 began to dominate within a couple of years of the collapse of Lehman Brothers, a remarkably short period considering the scale of the economic upheaval and the way the principles of

[104] See also Gongloff (2012).

a market-oriented paradigm had been linked by many actors to the cause of the 2008 crisis (see chapter five). The next section considers how news media behaved in terms of both TBTF and bailouts and the wider paradigmatic question of regulatory consequences.

7.3 News media and consequence frames

In the combined sample totalling 216 *New York Times* and *Washington Post* articles, there were 38 stories that included the phrase “too big to fail”. That comes to 18% of the articles, or nearly one in five. The sample included four *New York Times* and four *Washington Post* op-ed articles. Those op-ed pieces, written by economic authorities such as Paul Krugman or Simon Johnson, the former chief economist for the International Monetary Fund, tended to present detailed evidence and build arguments in a logical fashion. The news articles, on the other hand, almost uniformly referred to the TBTF term as a problem but included no other information or commentary regarding the nature of the problem, possible solutions or consequences from action or inaction. A typical example, from the *Times* in February 2010, read: “John S. Reed, a former chairman of Citigroup, often mentioned as an example of an institution considered too big to fail, offered a different perspective.” (Chan 2010)

At first glance, even such barebones treatment of the term in these articles would appear to support the interventionists’ narrative on TBTF (Narrative 2) since the references focus on the status of TBTF institutions as a problem, an idea that runs contrary to the position of the financial industry, right-leaning think tanks and right-leaning political actors. One could make the case that by frequently offering this problem frame, news media have made an implicit suggestion that a solution was needed; in such a reading, interventionism becomes the de facto policy paradigm since pro-market orthodoxy calls for the avoidance of state action. All of this is in line with Narrative 2.

Yet, due to the general confusion about TBTF as discussed above, the lack of additional detail or discussion whenever the phrase was used makes it also possible to suggest a Narrative 1 reading. In this interpretation, TBTF is the result of government interventionism and the only fair and effective action would be the banning of bailouts. The conflation of the concept of TBTF and the deeply unpopular bailouts was arguably one of the more successful aspects of Narrative 1 in that it tapped into public frustration with all that the financial crisis represented. What matters, then, are the priors that the reader brings to the story. For readers primed to distrust state action after more than two decades of neoliberal-oriented policy discourse, references to TBTF thus can become associated with "unnecessary" state intervention; such a reading relies on a convenient form of amnesia in terms of the perceived necessity of rescuing the financial system after the havoc of Lehman's collapse.

Thus, the more that "TBTF" and "bailout" become conflated within Narrative 1, the more that the problem facing society becomes "big government". TBTF has gone from being a crisis of capitalism to a crisis of interventionism. Along the way, a market-oriented paradigm that had been blamed by some actors for being responsible for the crisis was able to be readopted as an emblem of a populist movement. Boykoff and Laschever (2011) write that Tea Party Movement activists attributed government bailouts as the catalyst for their initial protests. Guardino and Snyder (2012) also describe how corporate bailouts were seen by some Tea Party activists as part of the evidence of a state-run "tax and spend" economy and they note an appeal to personal freedom by those opposed to interventionist policies.

> In the neoliberal worldview, the market ensures personal freedom; therefore, attempts at government regulation of economic decisions—whether in business, occupation, or consumption—impinge upon the freedom to choose. Accordingly, neoliberal discourse articulates a vision of government as an inefficient, cumbersome, overly bureaucratized entity prone to meddling in the private affairs of hardworking citizens, to the benefit of "undeserving" poor (minority) populations. (Guardino and Snyder 2012, p. 530)

In the absence of any information beyond the usage of the TBTF term as an adjective, a reading aligned with either narrative becomes possible. News media, in this sample, made no significant effort to investigate or explain the TBTF issue, despite including frequent references to it. This is not an unusual issue in media criticism. Scholars have long noted the news media's propensity to reduce complex issues to shorthand, allowing nuances to get lost in the black-and-white language of news reporting. Nonetheless, in this instance, the dearth of nuanced or detailed reporting on TBTF had the effect of producing something different from reductionism: It allowed for ambiguity, and that ambiguity appeared to favour those calling for a market-oriented paradigm.

To see in more detail how that ambiguity could favour Narrative 1, we can consider news media's treatment of the term "bailout". In the *New York Times* sample, the word "bailout" was used 82 times in 43 separate articles, meaning it came up in more than one third of the sample. This usage was substantially higher than that of the term TBTF, an unsurprising result given the public salience of bailouts. Characterisations of bailouts and/or bailout policy in the *New York Times* fell into six broad categories. There were four categories that could be considered bailout-critical:

1. Undeserving recipients: Bailouts benefited irresponsible and/or greedy firms
2. Innocent victims: Bailouts hurt or did not help ordinary people (taxpayers)
3. Rigged system: Bailouts exemplified a faulty or corrupt system that featured cosy political relationships, a lack of accountability and moral hazard
4. Broad or undefined damage

A fifth category was bailout-positive; it highlighted the necessity of the bailouts or their benefits to the economy. Finally, a sixth category was made up of neutral descriptions; typically, these involved factual references to bailouts with clinical language and no additional information from which to draw conclusions.

The references to bailouts and bailout policy in the sample overwhelmingly fell into the four bailout-critical categories. Of the 82 times the term appeared, there were only five instances where some kind of benefit or need for the bailouts was cited. In 21 cases, references to bailouts were neutral. In all other examples, one or more of the four problem categories listed above featured. Characterisations generally came from a source being cited in the news article, such as a political figure, or they were based on the report citing the position of a political faction or business community. Following is a selection of examples of how the term bailout was used in the various categories listed above.

On 22 January 2010, an article with the headline “With Populist Stance, Obama Takes On Banks” included the following sentence:

> Yet even Mr. Geithner of late has been moving toward a tougher stance on Wall Street, in part out of anger that big banks, having ridden a taxpayer bailout back to comfortable profitability, are now rewarding themselves with big bonuses and fighting harder in Congress against the administration's initiative to tighten regulation of the financial system. (Calmes 2010a)

Banks are described here as “having ridden” the bailouts back to “comfortable profitability” before “rewarding themselves”. These lexical choices suggest that banks have gamed a system, that they have benefited enormously and that they have been greedy and possibly corrupt. The criticisms are syntactically presented as factual events, developments that have angered Obama’s Treasury Secretary, Tim Geithner. An account such as this can be read as an argument for stronger interventionist policies to control the banks; but the reporting also characterises the state as an enabler of bad behaviour, which was one of the arguments of Narrative 1.

On 22 April 2010, in an article headlined “Bill on finance wins approval of Senate panel”, the *Times* reported:

> Republicans expressed some confidence that they would eliminate that provision as well as the $50 billion fund, which supporters said was intended to ensure that taxpayers were not asked to finance future bailouts. Republicans have criticized it as "a bailout fund." (Wyatt and Herszenhorn 2010)

Whereas the first example was focused on the relationship between bailouts and banks (the “undeserving recipients” and the “rigged system” categories), this second example is focused on the impact on ordinary people (the “innocent victims” category). It should be noted that the *Times* report did include the important detail that the $50 billion fund was to be financed by banks and not the government. There is no indication that the *Times* reporters treated the term "bailout fund" as anything other than political spin.[105]

The "rigged system" category deserves particular attention. It considered bailouts as the result of a form of regulatory capture whereby government and corporate accountability suffered (unlike the supposed accountability that a market-based system of reward and punishment produced). It is here that we see one of the market-based arguments being made most clearly: that efforts to tighten regulation would lead to more bailouts.[106]

For instance, the 22 April 2010 article noted above contained the following sentence: "Republicans initially had expressed stiff opposition to the financial regulation bill, saying it would encourage, rather than prevent, future taxpayer bailouts of financial firms." (Wyatt and Herszenhorn 2010) The article includes no discussion of the Republicans' explanation of the mechanism by which this would occur, which, according to Narrative 1, is a result of the moral hazard that interventionism creates.

The *New York Times* included a version of the regulation-will-perpetuate-bailouts line on at least 10 separate occasions. When the House of Representatives approved the Dodd-Frank bill, setting the stage for its enactment, a July 2010 report included this passage:

> House Republicans complained that the Democrats' legislation would extend the reach of government regulators too far, that it would encourage rather than prevent future bailouts, and that it would not address the causes of the financial crisis because it did not deal with the government-controlled mortgage giants, Fannie Mae and Freddie Mac. (Herszenhorn 2010)

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[105] Subtle lexical choices can be noted here. In saying that Republicans "have criticized it as", rather than "have labelled it as" or "have described it as", the passage adds legitimacy to the charge, treating it as an act of criticism rather than of spin.

[106] Many anti-state arguments are based on the concept of "unanticipated consequences", as discussed by Merton (1936). I would argue that the idea, which became popularly referred to as "unintended consequences", generally sits well within a market-based paradigm in that it is associated with an argument that the state can never have enough knowledge or foresight to see all of the damage its policies might cause.

The report included a quote from Representative Mike Pence that emphasised the point: "Under the guise of financial reform, Democrats today are pushing another bill that will kill jobs, raise taxes and make bailouts permanent." (Herszenhorn 2010)

The rigged system frame is also seen in references that describe bailouts as requiring greater oversight. An October 2009 article includes a comment that a Congressional watchdog is focused on “going after companies that received bailout money to be certain they repay taxpayers” (Kocieniewski 2009). A November 2009 article included a call from a politician for an audit that would “delve into” Federal Reserve measures such as the bailouts (Andrews 2009b). The need to “go after” bailout recipients or “delve into” bailout arrangements is predicated on the scope for malfeasance.

Equally telling is what is missing: there is a dearth of references as to why the bailouts were undertaken in the first place, or the benefits they may have brought in terms of stabilising the economy at a time of acute distress. A 20 August 2009 report referred to the bailouts as part of a list of “colossal rescue programs” (Andrews 2009a); a 10 December 2009 article referred to “nonpartisan assessments” that the bailout programme was working, even if not as well as originally advertised (Calmes 2010b); the same report included commentary that credited the bailouts with preventing an economic panic; and finally, a 23 January 2011 report on Obama included a reference to his championing bailouts as practical (Baker 2011). Those references constitute the only instances where bailouts were presented as necessary or beneficial. While the *New York Times* is not obliged to repeatedly remind readers of the reason why bailouts were seen as needed in the chaotic months of late 2008, the dearth of such references can help explain the public amnesia referenced above.

The term bailout itself has a negative connotation in that it has come to imply potential malfeasance by the government as well as the firm requiring assistance. “Rescue” arguably is a term that has less of a negative connotation. The distinction was not lost on the Republican candidate for the U.S. presidency, John McCain, amid efforts to secure capital for failing firms in the days after Lehman’s collapse. “The first thing I would do is say, ‘Let’s not call it a bailout. Let’s call it a rescue,’” McCain said in a CNN interview, according to an Associated Press report (Public Broadcasting Service 2008). McCain's plea did not appear to find a receptive audience in the U.S. news media. A search of the *New York Times* sample that included the word "rescue" or "rescues" turned up 12 articles, with the term being used a total of 19 times.[107] In total, the more negative term "bailout" was used more than four times as often as the more neutral-to-positive word "rescue", and the number of articles featuring the former outnumbered the articles using the latter by a similar margin.

Wider regulatory consequences

The notion that future bailouts would be the end-result of a misguided state response to the financial crisis fit within a broader pattern of framing regulation as a costly, economy-choking and generally unfair exercise. A sample as large as the one considered for this study means that news media were publishing – and readers were processing – many hundreds of frames from an array of actors, with each frame potentially containing multiple messages. As a result, it is useful to consider the results of the TBTF/bailout analysis in the context of the overall patterns of consequence framing.

Many of the frames in the sample concerned systemic risk and taxpayer exposures. But they also spoke to a much broader set of issues about which actors were concerned. For instance, Dodd-Frank was often framed in terms of its broad implications for the economy or the business sector. Many actors argued the bill, or aspects of it, would stifle innovation or make companies less competitive, while others pointed to the protections it offered to ordinary people. The weaponisation of the page length of the Dodd-Frank Act, as noted in chapter one, is an example of the way that pro-market actors sought to reinforce the pre-crisis paradigm by portraying the regulatory response as one of overreach.

[107] The difference in usage of one term versus another was not due to syntactical factors. In all cases where "bailout" featured, either the word "rescue" or "bailout" could have been used in the sentence without changing the syntax or meaning.

To get a flavour of the consequence frames that were aligned with a market-oriented paradigm, Table 7.1 contains a sample in chronological order from political or corporate actors, with messages ranging from the specific and highly technical to the vague and philosophical.

Table 7.1 Examples of market-oriented consequence frames

Mr. Zubrow added that "artificially capping liabilities" of banks would hinder their ability to make loans or invest in government bonds.	*New York Times* (Chan 2010)
"If you want to drive capital out of the United States, this is your bill," Thomas J. Donohue, president of the U.S. Chamber of Commerce, said in a statement.	*Washington Post* (Dennis 2010d)
"This legislation is a clear attack on capital formation in America," said Representative Eric Cantor of Virginia, the Republican whip.	*New York Times* (Herszenhorn 2010)
"As we see it, the regulations challenge the transformational role performed by banks, whereby individual savings can in turn ensure the funding of corporate investment," said Mr. Oudea, who also oversees regulatory issues for the Institute of International Finance, an industry group.	*New York Times* (Ewing 2011)
"It's the regulatory world that is killing America," said Texas Gov. Rick Perry	*Washington Post* (Fletcher 2011)
If Dodd-Frank, were repealed, "you would see the housing market start to improve overnight," said former House speaker Newt Gingrich during a November GOP debate hosted by CNBC.	*Washington Post* (Fletcher 2011)

To provide some context, following are two more examples of consequence frames, one which was categorised as unaligned and one which was coded as interventionist. Early in the legislative process, in an in-depth article headlined "Fault Lines Emerge as Financial Players Try to Influence Regulatory Overhaul" (Goldfarb 2009), the *Washington Post* included the following:

> The outcome of this battle is likely to shape how much profit banks will make, who can get a mortgage, which federal regulators oversee different corners of the economy – and, ideally, whether the government is prepared for future financial threats.

In this case, the journalist spells out in the second paragraph a variety of ways this legislation could have an impact but does not align the consequences with a paradigm, taking care to use neutral language and keeping the discussion vague. Later in the same article, the journalist writes:

> Supporters of this idea, which has strong advocates in the administration, include consumer activist groups, labor unions, community organizers and many prominent Democrats. They argue that it would protect consumers from financial products that ultimately aren't in their interests. (Goldfarb 2009)

Here the journalist frames an aspect of the legislation in terms of its future benefit to people in general, highlighting the usefulness (according to supporters of the idea) of the state intervening in the workings of consumer finance. Thus, this second sentence contains a consequence frame that is coded as interventionist-aligned.

Consequence frames were the second most common type in the *Washington Post* sample, exceeded only by solution frames, as seen in Table 7.2. If we drill down to focus on consequence frames specifically, looking at both newspapers, a clear picture emerges: Frames aligned with a market-based paradigm outnumber interventionist frames at a rate of more than two-to-one in the *Times* and nearly at that rate in the *Washington Post*.

Table 7.2 Frame types, consequence frames highlighted

***Washington Post* frames**	Problem	Cause	Solution	Conflict	Moral judgment	Consequence
Total	**112**	**89**	**370**	**136**	**44**	**179**
Interventionist	77	61	202	0	29	55
Market-oriented	8	8	61	0	6	97
Unaligned	27	20	107	135	9	27

Table 7.2 shows the total numbers of news frames from the *Washington Post* sample. As discussed in chapter three, each sentence in each article was coded based on the presence of frames grouped into six frame types.

The nature of that dominance can also be seen by looking at those consequence frames over time, with the numbers of frames in the articles represented on the y axis and time on the x axis. As Dodd-Frank's passage approached, market-oriented frames increased, with political actors warning of the bill's consequences. These frames maintained a consistent advantage as the U.S. general election approached. The trend was highly similar at the two newspapers, as seen in Figure 7.1.

Figure 7.1 Consequence frame patterns in the *New York Times* and *Washington Post*

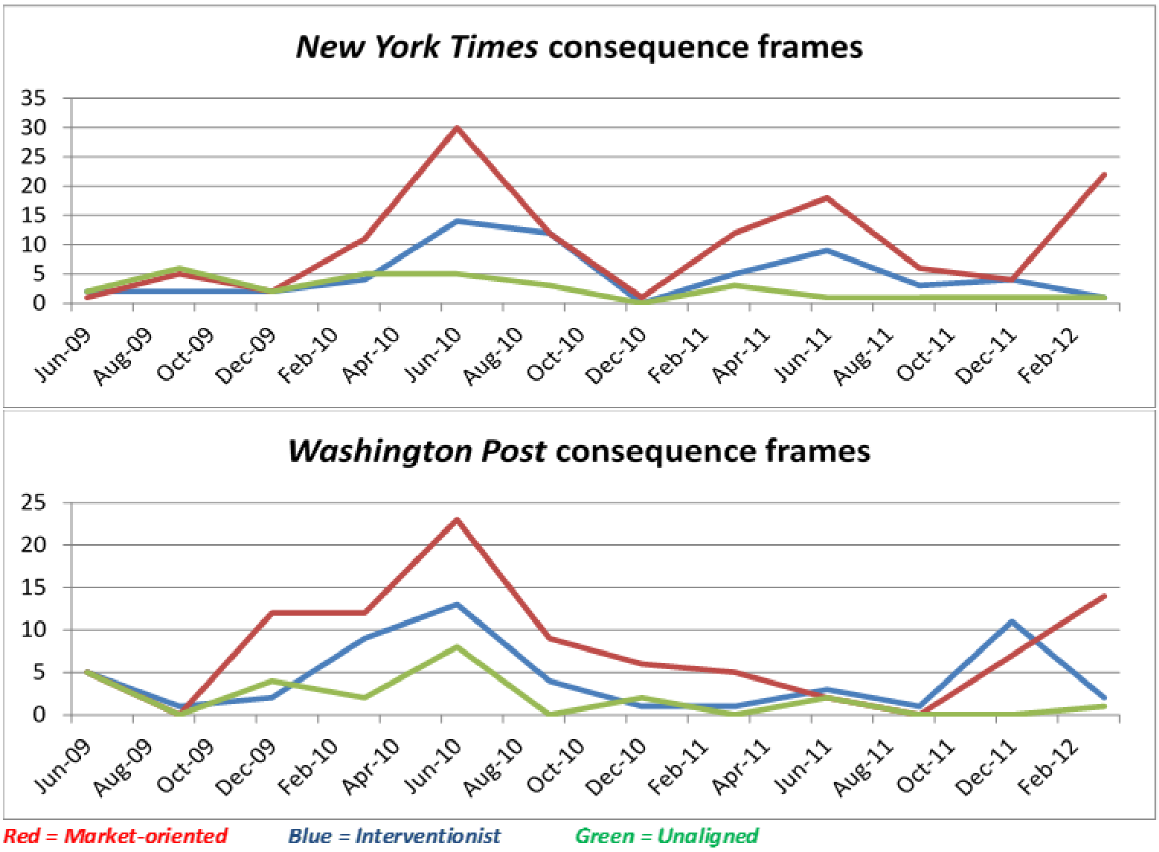

Figure 7.1 shows the number of consequence frames that appeared in each of the samples over the full period, from the introduction of the Dodd-Frank bill through to end-March 2012.

To understand the nature of these consequence frames and their paradigmatic alignments in more detail, I analysed each of them to consider what messages were being presented within the frames. Regardless of whether frames promoted an interventionist or a market-oriented paradigm, the messages in the sample broke down into three categories, or sub-frame types. These concerned whether the regulation would help or harm:

1) the economy/broader public
2) the business world, or
3) the financial system

Some sub-frames were extremely vague. When Texas Governor Rick Perry spoke of the regulatory world "killing America" in the example above, there was no specific consequence suggested but the message was broadly about the negative effects on the country and its people. At the other end of the spectrum, when one of the sources spoke of capital being driven out of the country, he was pointing to a specific consequence in terms of the impact on the financial system and the business community.

This deep analysis of the news media texts[108] showed a heavy emphasis on market-oriented sub-frames. They outnumbered interventionist sub-frames in all three categories. Sub-frames that focused on the economy and the public were the most common, accounting for nearly half of all the messages in the sample, while those that focused on the financial system were least common, with fewer than a quarter of the messages falling into that category.

A chief narrative strategy employed through sub-frames was to paint regulation as a job-killer. The most common sub-frames suggested regulation would reduce growth, investment and jobs or would not address job concerns. Focusing specifically on jobs, there were 22 specific sub-frames talking about the harm from regulation to jobs, compared with just two that highlighted the way the regulation might protect jobs. Similarly, market-oriented sub-frames that focused on the damage to businesses (via lower profits, lost competitiveness and increased red tape) outnumbered interventionist sub-frames on the impact on business by eight to one. In many cases, banks were portrayed as victims at the mercy of overzealous state actors.

State actors and journalists were the most common sources of consequence frames, accounting for three out of every four of them. Advocacy groups were the least represented actor group, accounting for only five frames in the entire sample. In fact, frames from financial industry actors outnumbered advocacy group frames by more than 10 to one.

[108] For a full list of the different frame messages and how often different messages occurred in the sample, see Appendix 2: Consequence frame messages.

Two findings stand out from the results. The first is that actors who were promoting Narrative 1 and a market-oriented paradigm, either consciously or unconsciously, were focused on "pocketbook issues", namely those that affected people most directly. The second is that although Dodd-Frank focuses most on systemic risk, that issue had far less resonance in this aspect of the news sample. The bulk of the framing treated financial policy regulation in an economic context, with political and corporate actors focusing on the impact interventionism would have on business, economic growth and jobs. To highlight one striking result, there were 120 frames in the sample that suggested regulation would hurt businesses, compared with 15 frames that suggested it would help businesses.

Taken together, the frame data reinforce a picture of government as intractably hostile to business, a notion that had been advanced by a range of actors for decades in the run-up to the crisis. Put simply, despite the upheaval of the financial crisis, news media were highly receptive to the market-oriented Narrative 1 and to frames that focused on the cost of regulation rather than the benefits of it. Whereas cause frames and moral judgement frames both leaned heavily towards interventionism, as seen in chapters five and six, the pattern changed sharply once consequence frames were considered. When journalists, and the news sources they featured, spoke in terms of the consequences of regulation, more often than not it was unconnected to the crisis-laden events of the recent past and the anomaly to the market-oriented paradigm that those events represented. Even as the economic pain from the crisis was still being felt, an effort to shift the focus to the pain of regulation had been initiated and was proving highly successful within news media coverage.

7.4 Views from journalists and other actors

The depth of the resistance in the discourse to Dodd-Frank in particular, and to regulation in general, occurred despite Dodd-Frank representing a less radical pathway than some reformists or public advocacy campaigners had called for. Furthermore, the results in the media sample come from a media subset that has been described by conservative actors, and some media scholars, as politically liberal or left wing (Watts et al. 1999; Groseclose and Milyo 2005). This chapter has shown how political partisanship lined up with different narratives, with the left wing typically adopting a more interventionist narrative and the right wing a more market-oriented one. In that sense, the news sample data run counter to what might be expected. In other words, it is counterintuitive that a media subset that is thought to be biased towards the left wing would promote a more market-oriented paradigm. The results also stand in contrast to the trends seen in chapters four and five, where the news framing was more aligned with an interventionist paradigm.

In this section, I will consider views from journalists who covered Dodd-Frank in order to understand how they approached the issue of regulatory consequences, and why news coverage that gave substantial weight to a market-oriented narrative might have occurred. I will supplement those views with observations from a few other relevant actors. I have organised the comments according to two major themes that emerged from the interviews. The first concerned the agenda-building efforts of non-media actors. The second concerned the response by journalists to those efforts, focusing on the knowledge, skills and mindsets of the journalists who covered the story.

Agenda-building efforts

Interviews with journalists showed a clear awareness of efforts by various factions to push an agenda. I asked Tom Braithwaite of the *Financial Times* whether it appeared that an organised PR battle was being waged by organisations such as the Financial Services Roundtable and by parts of the Republican caucus. “There certainly was a PR effort from certainly those lobby groups that you mentioned,” he said.

Another reporter who covered the banking industry for a prominent newspaper – the one who asked for anonymity and was cited in chapter five – saw a clear narrative emerging, which she said could be seen both in the Congressional committees and in regulatory bodies such as the Commodity Futures Trading Commission (CFTC).[109]

> There was definitely a lot of "this financial overhaul will be too burdensome and it won't go back to the root cause" discussion. I think that tended to be fairly predictable in terms of the less-regulation crowd and the Republicans.

Braithwaite said the partisan divide could be seen clearly in the way that TBTF was discussed. "There were some big philosophical debates over too-big-to-fail that were quite prominent, which were largely Republican-Democratic in the split," he said. "I believe there was a genuine belief that institutions should be allowed to fail and that Dodd-Frank was not helping that, it was the opposite."

Meanwhile, Braithwaite's *Financial Times* colleague at the time, Peter Thal Larsen, said that as the crisis response became a political story the politicians in power responded by beating up on the banks. "That was more or less the dynamic. 'We're going to crack down on these people'," he said. While banks may have made arguments against what they perceived as excessive regulation, Larsen said there were few politicians "who were really willing to stand up for the banking industry".

Braithwaite said Republican politicians dealt with the anti-banking environment by talking tough while still aligning themselves with financial industry interests. "Certainly, I think a lot of the Republican talking points were designed to appear critical of the industry – because big banks were no one's friends at the moment – while actually being entirely sympathetic to them and trying to further their interests," he said.

[109] The CFTC, which prior to the crisis attracted little attention outside of commodity markets, was noteworthy during the post-crisis period because it was responsible for oversight of most derivatives trading. It is led by a five-person team of commissioners, each of whom is appointed by the President whenever a vacancy comes up; the CFTC has a rule that state that no more than three commissioners can come from one political party.

Braithwaite's comments speak to a high level of agenda-awareness, even when actors went out of their way to mask it. However, comments from some of the journalists suggest there were more sophisticated, and potentially alarming, ways that an agenda could be pushed. One way involved relying on what reporter David Enrich suggested was a false narrative about how finance works, and on relying on journalists' lack of the detailed banking knowledge necessary to counter it.

The market-oriented narrative concerning TBTF, as described in the first section of this chapter, held that 1) there was no size at which a bank should not be allowed to fail, and 2) that measures to address banks' systemic implications would be harmful to the economy. A key plank of that argument concerned whether banks of a certain size or systemic importance should have to reserve more capital as a percentage of their assets. In banking, loans are assets, so capital requirements are one measure of how much capital a bank has compared with its lending. The argument made by those opposed to tougher regulation was that higher capital requirements would result in lower lending.

Enrich, who was then at the *Wall Street Journal*, said this narrative about capital requirements – which he said was unsupported by any academic research he could find – had become widely accepted in the news media simply because it seemed intuitive.[110] He said:

> It is just demonstrably true that this false narrative took hold in the media, fuelled by politicians and regulators but mostly by the banks, that the higher capital requirements are, the less banks will lend and therefore there's this clear dampening effect on economic growth.

Enrich said he wrote a story at the time about how this misconception about finance had become gospel: "It occurred to me… 'Wait, this is not how capitalism works, there's no reason that the argument for saying that this hurts the economy had become the accepted truth of the matter. It's not true.'" He recalled speaking about the issue to Charles Dallara, who was managing director of an industry lobby group called the Institute for International Finance. He said Dallara had said there

[110] His view about the popularity of this narrative was supported by the framing data in this study.

might not be research supporting the idea that higher capital requirements would curb lending, but that it stood to reason that they would.

> I'm like, are you kidding me? Like, this was just like the word of God for journalists that … the higher capital requirements go, the lower the lending goes. We just accepted that.

Robert Litan of Brookings Institution confirmed Enrich's impressions, arguing that the industry quietly enlisted political actors to help push the impact-on-lending narrative.

> The industry was fighting from a weak position obviously. So, their sort of attack on overregulation had to be pursued sort of sub silentio. They had to be quiet because they knew in the media they were being pummelled. So, in the back channels they told all their Congressmen, listen don't overdo it otherwise we won't be able to lend any money. And I think that story was, I think to a large extent, accepted.

The communications strategist cited in chapter four, who worked for a number of financial clients, described the process to which Litan referred. His comments also refer to public distancing by political actors, as Braithwaite had observed.

> If you've done your job well, you have established channels that you can work through. And that's what these organisations do, they try to work through those channels. In some cases, and I think it was probably as true of the financial crisis as it is of any other extreme situation, those channels don't always work in the way they did before, because your interlocutors don't – they suddenly have different interests from you, and they want to distance themselves from you. So, they're not necessarily going to stand up and defend you in the way that they might have done previously. But there's still a channel from which you connect to them and explain your position.

The capital-requirements-equals-lower-lending line was one of many sub-narratives that fell within the "pocketbook issues" theme in the framing. Another such issue was bailouts and here one of the journalists interviewed drew a direct connection between the narrative the media chose to adopt and what state actors did as a result. Bailouts became a pocketbook issue because the narrative – in focusing on the taxes paid by citizens – connected the notion of government rescues with people's personal finances. As noted earlier, Dodd-Frank did not ban bailouts but, in response to the strength of the anti-bailout discourse, it limited the use of public funds for bailouts in future. Diana B. Henriques, a Pulitzer Prize finalist who wrote extensively about regulation for the *New York Times*, said the media's acceptance of the bailout narrative was a factor in that decision.

> One of the worst aspects of the Dodd-Frank legislation was its hostility toward bailouts. This was one of the places where a different perspective, a better historical perspective, by the financial media might have made an enormous difference. The rhetoric and coverage of financial bailouts in the lead-up to the enactment of Dodd-Frank led to the inclusion in that bill of what I believe is a ticking time bomb.

The "ticking time bomb" she saw was created by the language in the Dodd-Frank law that would make it more difficult for the federal government to conduct a financial bailout in the future.[111] She placed some of the blame for this hostility toward bailouts on the government's failure to do more to prevent homeowner foreclosures, which fed a separate narrative that the state was far more concerned with helping Wall Street banks than ordinary people (see chapter six). "That frame around the issue of rescuing a failing financial institution is with us to this day. It is so ahistorical, it is so ignorant about what competent regulators will be required to do to save the financial system in the midst of a future crisis, it just drives me crazy," Henriques said.

The decision by actors to focus their agenda-building efforts on pocketbook issues – whether it was by design or instinctive – meant that those issues could resonate with the public and that increased the likelihood that news media would accept such framing. Ledyard King of Gannett said:

> We would write about pocketbook issues, especially 401(k)s[112]. Are things going to go up? Is banking regulation going to affect your – being the public's – day-to-day transactions? The typical things people use banks for, loans, when interest rates go up, those sorts of things. So, I think we focused on the issues that most of our readers we felt would know about, would be hurt most, be affected most. And in many case reporters are much like – at least reporters here – are much like our readers. You know, we have 401(k)s, we have mortgages, we have car loans, we want prices to stay low and our investments to go up. There was no sort of directive to write it like that, I just think it's how we did, how we understood it, what we needed to do and that was it.

The notion that the banking industry was able to work with other actors to push their narrative – as highlighted by Enrich and Litan – was also not limited to Republican politicians. Caren Bohan of *USA*

[111] The interview took place more than half a year before the COVID-19 pandemic prompted Congressional leaders to ignore whatever reservations they may have had about state bailouts in order to provide emergency funds for industries; the uniqueness of that situation means those bailouts do not necessarily invalidate the argument Henriques made.

[112] A 401(k) is a personal pension plan (*Retirement Topics – 401(k) and Profit-Sharing Plan Contribution Limits* 2020).

Today, who at the time was with Reuters, said that in covering the Volcker Plan to limit proprietary trading by banks, she was aware that Volcker was at odds with senior Obama aides Tim Geithner and Lawrence Summers on how to overhaul the financial system in the aftermath of the crisis, favouring a more aggressive approach to reining in the big banks.

Geithner had been president of the Federal Reserve Bank of New York from 2003 to January 2009. The New York Fed, one of the regional branches of the U.S. central bank, had a special role in maintaining a close relationship with the Wall Street banking community. Lawrence Summers, a former Treasury Secretary, was director of the National Economic Council from January 2009 to December 2010. Bohan said of Geithner and Summers:

> I think my impression was – and this was based in part on what I know about both of their careers and also some reporting by others at the time – they were in contact quite frequently with people in the financial industry. And so, I'm sure that they were influenced by bankers and investors who felt that there were practical considerations that would be expensive to comply with it and they probably heard from a lot of the people that they dealt with that it wouldn't necessarily work.

It was also not just political actors, regulatory officials or financial industry figures who sought to push an agenda within the Dodd-Frank discussion. Non-financial corporate actors did as well. Research by Pagliari and Young (2013, 2016) focused on the way that financial actors interact with other actors to mobilise dissent to financial regulation. An interview I did with a corporate lobbyist who represented the retail industry during Dodd-Frank debate highlights the way financial and non-financial interests dovetailed in opposition to aspects of Dodd-Frank.

David French was senior vice president of government relations and public policy at the International Franchise Association (IFA) from 2006 to 2011. In May 2010, his organisation issued a news release headlined "Wall Street Reforms Threaten Growth on Main Street". The release highlighted a concern from the IFA that tighter rules for Wall Street could harm small businesses. French told me:

> My constituents at the time certainly wanted a strong pro-business message to be sent. I think the fear that they had, the fear that we had, was that this law was going to overshoot the mark and embolden a regulator to do too much and fail by putting too much restriction on the

> availability of credit, or too much restriction on the ability of these companies and these businesses to operate.

The news release focused on an effort by the IFA to gain support for an amendment to Dodd-Frank that would have limited the powers of the Consumer Financial Protection Board.[113]

The interviews offer a picture of journalism industry that was mindful of efforts by actors to push an agenda but was still vulnerable to being led by those efforts. This points to a more nuanced reading of news media behaviour than radical functionalist accounts such as the propaganda model. The interviews also portray a banking industry that worked closely, and often successfully, with political actors and alongside other actors to push aspects of Narrative 1 as described in this chapter. The idea that banking regulation, most specifically in the form of capital requirements, would harm the economy, was advanced because it was intuitive and in many cases was not questioned. A separate sub-narrative about bailouts – that said they were unquestionably wrong and worth avoiding at all costs – was also not questioned. The interviews point to how these narratives succeeded not only because they were reinforced by state actors and other actors but also because they were ones that the public could relate to.

Journalists' responses to agenda-building efforts

The final part of this chapter looks at how journalists dealt with claims by their sources about the future impact of regulation. Much of the discussion involved their views about what constituted best practice, particularly when dealing with a complex subject.

A common response was for reporters to adopt a default position of scepticism, questioning the logic of those offering consequence frames and demanding explanations that made sense to them. Carter

[113] The amendment proposal was defeated in the Senate, mostly along partisan lines.

Dougherty joined Bloomberg in 2010 and covered the consumer protection beat as part of the regulatory story; he worked there until 2016, when he joined AFR. Asked how he responded to efforts by some to paint financial regulation as an economy wrecker, Dougherty said:

> It did cause a bit of eye rolling on my part as a journalist. This is the sort of argument that you hear with virtually any regulation in any sector, that this will result in a less dynamic economy. And there were two ways I tended to think about this. One is that, which I think Richard Cordray[114] early in his tenure said specifically, it would be hard to find something that caused greater economic loss than the financial crisis and, you know, the financial system-amplified recession after it. So, you'd have to do some pretty big, stupid, almost like intentionally malicious regulation and law making after that to have the same effect as the financial crisis had.

Dougherty also questioned the premise of an argument that was being made that Dodd-Frank would result in less financial sector activity.

> I did have this conversation with a bank lobbyist one time and I said, like, arguably that's a good thing, because finance is supposed to be an intermediary in an economy. It wrangles savings for productive uses in the so-called real economy. So, to the extent that there is less money being made in finance, that means that a greater chunk of it is going to productive economic activity and not, you know, not financial intermediation.

Dougherty said he sometimes included such anti-regulation views in articles he wrote but not every time. He treated them as "a reflex not an argument".

Larsen, formerly of the *Financial Times*, said he treated bank sources with much more scepticism after the crisis, partly because it became clear that often they themselves had not been in possession of correct information about their own institutions.

> Whereas you might previously sort of have listened more carefully to banks' arguments about why regulation was, you know, kind of counterproductive or shouldn't be introduced or something like that, I think that presumption that they had anything worthwhile to say about that kind of went away. Most of what the banks tried to argue against regulation I think I certainly, and others, became much more sceptical of.

[114] Cordray was the first director of the Consumer Financial Protection Bureau and served in that role from 2012 to 2017.

David Herszenhorn characterised this sceptical approach as instinctive, saying that reporters at top newspapers almost automatically fight against efforts to sell a claim about the future without it being grounded.

> Our instinct as reporters is there, to never let somebody get away with making a bold pronouncement, a promise to voters or constituents that we don't then fact check and truth-patrol, right in the moment… This was something we just did on Capitol Hill as a matter of standard operating procedure. If somebody says this is going to do X, Y or Z, we would say, you know, maybe it will, maybe it won't, based on whatever we knew at the moment to be, you know, the factual grounding for that.

Herszenhorn added: "I don't give Dick Shelby,[115] you know, his time in the sun if he's lying to me. … I don't let him say stuff that I can say, you know, that I know is demonstrably false." Francesco Guerrera, who was at the *Financial Times*, echoed Herszenhorn's point about instinct, saying that apart from newswire journalists, whose mission involved verbatim coverage, most other journalists were trained to "discount any sort of categorical statement, and immediately, almost Pavlovianly, look for the other side". He said this practice was especially ingrained in American media.

A second response by journalists was to try to ensure that they understood the subject matter under discussion. Journalists interviewed for this thesis consistently described their own research and their critical approach as a key part of their job when tackling technical issues. Bohan said of her efforts to understand the Volcker Plan debate:

> I tried to intellectually understand both sides of it. I tried to, you know, learn as much as I could about the arguments on each side and where Volcker was coming from in making sure that nothing like this ever happened again.

Brian Tumulty, then of Gannett, was asked how he responded to those who said regulation would choke off the economy versus those who spoke of the need to rein in banks.

> It was a legitimate debate of how much to regulate and how to regulate … I'm fairly familiar with the topic and have a master's degree in economics, so I'm not an unsophisticated journalist, just regurgitating what was said, you know, or leading readers down dead-end debates. I tried to focus on what was the real issue of the day and that you know kind of

[115] Richard Shelby, a Senator from Alabama, was the ranking Republican on Dodd's Senate finance committee at the time Dodd-Frank moved through Congress.

> guided me. And what were they you know truly disagreeing about. You know, what was the nub of the issue? I don't know how well I did that, but that was my goal.

Kevin Hall of McClatchy[116] sought to augment his own experience covering financial crises with historical perspective. He spoke of how he read *This Time Is Different*, a historical analysis of financial crises by Carmen Reinhart and Kenneth Rogoff. "That had a big influence in terms of how I approached my reporting, trying to think about ways in which, you know, what would come back first, what's going to take longer to come back," he said.

Enrich, whose initial scepticism led to him questioning the accepted wisdom about capital requirements, received help in developing an understanding of the issues from sources he came to trust. He recalled being helped by Sheila Bair, who was then leading the Federal Deposit Insurance Corporation, and by Anat Admati, an academic who has highlighted this issue in her critiques of the banking industry. Such help was needed. "I think probably 95% of the financial media did not fundamentally understand how a bank balance sheet works," he said. Enrich recalled his story about capital requirements making a big impression with other reporters. "I remember talking to a lot of my fellow journalists who read that and were like, 'It's kind of like a lightbulb went off in a bunch of our heads.'"

Journalists whose beat focused on finance or who had a background in economics – such as Dougherty, Tumulty, Herszenhorn, Hall and Enrich – thus felt able to challenge claims made by sources or at least not accept them wholesale. But many journalists, such as general assignment reporters, do not experience such lightbulb moments or have the benefit of careful explanations from senior regulators or academics. Ledyard King of Gannett recalled the question of bailouts during the immediate crisis management phase:

[116] In addition to being a Pulitzer finalist for his crisis-related reporting, Hall later was part of a team that won a Pulitzer Prize for their work on the Panama Papers.

> Someone with my background, or lack of background, I didn't know enough to be able to say they were wrong or they were right. For most of the coverage we try to explain in simple terms, maybe too simple… You had Bush and Obama essentially agreeing on a bailout package. That, to my untrained mind at least, it was something where at least where there's bipartisan agreement on something as major as this.

As a general assignment reporter, there is less return on the investment of devoting time to learn about a subject in depth. For a beat reporter such as Enrich, gaining a deep understanding of capital requirements becomes valuable, but for a reporter who only dips into the Dodd-Frank story occasionally, it has less value. As a result, it is arguably unsurprising that reporters such as King would develop heuristic methods of determining validity such as when there was bipartisan agreement. King's experience – to the extent that it was shared by other journalists at the time – highlights the vulnerability some reporters felt when dealing with the myriad technical issues that the regulatory story encompassed.

A third response from reporters was to ensure that they talked to as many sources as possible. This was the case even for journalists who had covered financial regulation for years. Stephen Labaton said of his time with the *New York Times* that dealing with consequence arguments went with the territory of writing about regulation. He also emphasised the need for scepticism.

> Every major piece of legislation and regulation involves an attempt at predicting how that rule or law or regulation will alter conduct in a way, either harmful or beneficial. Journalists who are used to hearing the parade of horribles from people, and you're used to also hearing the … advocated benefits of it, I think the challenge is to try to ground it in some reality in all cases.

Labaton said he wanted to reflect a wide array of views in what he wrote, recognising that *New York Times* readers were a sophisticated audience, but also "to try to do some truth-squadding where one can and to try to call out bullshit when it was bullshit where you could". He also noted: "You're dealing with financial institutions; you're dealing with regulatory bodies – all have their own agendas."

His comments chimed with those of his former colleague, Herszenhorn, who said one of his ways of dealing with claims about regulatory consequences was to find people who thought about issues but “don’t necessarily have a dog in the fight”. He also cited a personal desire to look beyond partisan political labels when making editorial decisions. As an example, he relayed an anecdote in which the Nobel Prize-winning economist Krugman, who by then had become a *New York Times* columnist, had told him he thought he was being “overly fair” to Republicans in a story:

> What he wanted was for me to basically ignore what at one point was a fairly legitimate, you know, political argument being made by the Republicans and just to dismiss it out of hand. I was like, ‘Sorry, I’m not going to do that for you or for anyone.’

This desire to be politically neutral, Herszenhorn felt, was vital in any truth-squadding endeavour.

The three responses journalists said they employed – starting with from a position of scepticism, trying to educate themselves and speaking to a wide range of sources – are the sort of standard operating procedures that are taught in journalism schools and routinely advised by veteran journalists in virtually any situation involving difficult-to-understand and complex stories. They are designed to prevent those with an agenda being able to promote false narratives or allow for one side of a story to have undue weight. As reporters with elite media, they would be expected to follow them, and by their accounts they did. To the extent that reporters followed them, this still does not explain the patterns in the content analysis.

Journalistic challenges arising from consequence framing

While many of the journalists made a conscious effort to feature multiple perspectives in their coverage, that raised the possibility of creating false balance of the kind that Rosen (2009) decried when he wrote about a phenomenon which he called he-said-she-said journalism. Rosen defined such journalism as occurring when five conditions were met: 1) There is a public dispute, 2) The dispute makes news, 3) No serious attempt by the journalist is made to assess clashing truth claims, 4) Making such an assessment is possible, and 5) The symmetry of the two sides puts the journalist in the middle of polarised extremes.

The prevalence of conflict frames in the *Washington Post* sample (see Table 6.1) suggests clashing truth claims were not uncommon. The question here, in terms of Rosen's complaint, is whether a "serious attempt" has been made to assess the clashes between Narrative 1 and Narrative 2. Simon Denyer, who was Washington bureau chief for Reuters as Dodd-Frank was being debated, described a kind of "atomisation of news", whereby incremental breaking news lent itself to people making claims about the future and their acceptance without journalists stepping back in a big picture way.

Another problem with consequence frames, however, comes from the fourth criterion in Rosen's five-part definition. The weak-feedback mechanism issue that Jerit cites in his analysis of politicians' predictive appeals is exacerbated by the complexity of financial regulation because it makes scrutinising a claim all the more difficult. As Labaton said of one set of clashing predictions he wrote about concerning the repeal of Glass-Steagall: "One would definitively never know until it either happened or never happened."

There were epistemological considerations as well. In the cases where Labaton and Herszenhorn spoke about truth-squadding, they appeared to be referring to cases of specific predictions. As the content analysis showed, however, many of the consequence frames were vague. Experienced political actors understand the attraction of media-friendly sound bites, particularly if they are vague. For the journalist, there may be news value from including them, but there is often less incentive from seeking to debunk them as such discussions risk descending into a philosophical debate, which is generally not the stuff of news reports. In the realm of consequence framing, then, vague statements create a line of defence against the "truth-squadding" function journalists may try to perform.

Yet while the discussion above explains the difficulty in dealing with consequence frames in general, it still does not fully account for why the balance of such frames in the sample was so decidedly in favour of the market-oriented Narrative 1. Based on the comments from the interviews, the reason would not appear to be due to lack of awareness about agenda-building efforts or glaring professional deficiencies such as gullibility or a reluctance to research and source a story widely.[117]

Enrich suggested certain narratives catch on easily because the actors promoting them are adept. "Well-financed interest groups and lobby organisations are very good at assembling anecdotes and examples and, like, find the farmer who couldn't like get a loan to buy his new tractor because his bank has a ton of capital requirements," he said.

Herszenhorn also noted that journalists could have unconscious agendas. He said the backgrounds, educations and personal histories of the editors and the colleagues he worked with meant they saw the world in different ways, and that meant they would see news stories in different ways. Journalists at the *Times*, he added, will not reflect the diversity of readers, many of whom have never owned shares.

> They write about it (the regulatory story) from the perspective of people who have something to win or lose based on the performance of the stock market. You know, that alone predisposes you to a certain bias that you can't forget, right? You can't forget that you have money in the bank or that you have money in your mutual fund or you have money in your 401K…. There are people … at the *New York Times* who can't imagine living anywhere but the Upper West Side of Manhattan, right? And that will shape your worldview.

In this respect, the focus on pocketbook issues – which was highlighted by King's comments – potentially becomes even more effective. In appealing not only to what journalists think their readers might care about, but also to what the journalists themselves care about, actors conceivably have a greater chance of getting their frames and narratives adopted.

Another issue Enrich highlighted is that the journalism industry is constantly losing institutional memory, making it less equipped to combat efforts to spin an issue or advance a narrative that was based on a false premise.

[117] Burtless of Brookings offers a compelling argument for the resilience of the market-oriented paradigm which is worth noting but which, due to its counterfactual nature, this thesis does not attempt to explore in any depth. He said that because stimulus lessons had had some measure of success, the post-2008 economic downturn was not as devastating as that of the Great Depression. Had the crisis been more severe, he argued, the counternarrative against regulatory reform would not have been able to gain such traction.

> Speaking for myself I've been doing this long enough and have enough experience and enough confidence that I'm much more confident and much more willing to just call this out. Either lies or falsehoods. I do think though that as, like I'm getting older and most journalists remain young….
>
> If you are a 25-year-old journalist, you know, with no business or banking or financial experience – so basically what I was 15 or 20 years ago – you have no capacity to kind of challenge that narrative or to really understand the fundamentals of what you're writing about in a way that will allow you to reach your own conclusions without relying on this accepted wisdom that's spread by the banks, or by the regulators who are right now at least in the banks' pockets.

Enrich described this factor as a "huge handicap" that is fundamental to the way that journalism operates because there are always going to be younger people coming into beats with less experience. "And more often than not they are going to get snowed."

Henriques, in her critique of the media for accepting the bailout narrative and not identifying the resulting internal contradictions of Dodd-Frank, connected the issue of the constant loss of institutional memory with the emotional appeal of pocketbook framing. "It is a fact that too many people in the financial media have little or no knowledge of financial history…. They didn't know how 1987 unfolded, and therefore they couldn't use that as a template to calculate the disaster that would have occurred if Dodd-Frank had been in effect in 1987."

Guerrera also highlighted the institutional memory issue. "Now it's a new generation of reporters who don't remember Dodd-Frank, or the reasons why Dodd-Frank came into place," he said. Asked whether institutional memory could fade that quickly in the news business, he said: "I think so. I was talking to a colleague of mine the other day and I was casually mentioning Dick Fuld – and he's 30? – and he had no idea who I was taking about."

Richard Fuld was the chairman and chief executive officer of Lehman Brothers when it filed for bankruptcy protection on 15th September 2008.

7.5 Conclusion

This chapter set out to understand post-crisis discourse surrounding systemic risk and the consequences of financial regulatory policy, with a specific focus on how issues were framed in coverage by elite news media. It did so by developing a framework for considering the discourse and then examining a range of unmediated texts and news media texts. Those texts were selected to indicate the positions of different actors in the post-crisis debate and to gain insight into which narratives dominated the discourse. We can draw two broad conclusions from the analysis.

The first is that the agenda-building efforts were widespread and well-aligned, with pro-market actors from the financial industry, the think tank community and the state working in concert to advance a narrative that favoured a market-oriented paradigm soon after the crisis, even as the effects of the crisis were still broadly being felt. The second is that those efforts appeared to be successful, resulting in a news media whose handling of TBTF, bailouts and consequence framing in general was aligned more with what here has been labelled Narrative 1.

We can summarise the evidence concerning non-media actors as follows:

1. State actors and the think tank community were divided along ideological lines, as could be expected. But the prominence of think tanks promoting Narrative 1, and arguing for a market-oriented paradigm, was elevated soon after the passage of Dodd-Frank once Republican politicians retook the House of Representatives. Evidence for that could be seen in the increased appearances by pro-market think tanks before Congressional committees from 2011.
2. Financial industry actors, while generally maintaining a low profile, sent a clear message that they thought the idea of TBTF was not valid, in line with Narrative 1. Eschewing media, they appeared to focus their agenda-building efforts on state actors, whose own discourse also

began to favour Narrative 1. Evidence for that could be seen in the way that the problem of bailouts remained a talking point in Congress while discussion about TBTF all but ceased.

3. There was tentative evidence in the form of public polling that the public was receptive to aspects of Narrative 1 and that the justification for Narrative 2 – in the form of preventing events such as the collapse of Lehman Brothers – had dissipated in the public's mind.
4. The only actor group that wholeheartedly staked out an unambiguous claim for the validity of Narrative 2 came from public advocacy campaigners, who exhibited a desire for measures that went beyond what interventionist-oriented think tanks called for. Notably, they received comparatively little media attention.

As noted in the previous section, the idea that news media would support a market-oriented paradigm is counterintuitive considering an alleged media bias which suggests it would normally favour the interventionist-based Narrative 2. Yet Narrative 1 was reinforced in several important respects. First, the discussion about TBTF, in its vagueness and ambiguity, allowed for the TBTF issue to be conflated with bailouts. Second, bailouts were discussed predominantly in negative ways that were consistent with Narrative 1 and this marginalised any discussion about why they might have been needed; this aspect of the coverage was consistent with a kind of collective amnesia about what happened when a bailout was not pursued (Lehman). Third, the consequence framing broadly reflected an understanding of regulation as harmful to the economy, to businesses and to citizens, with pocketbook issues gaining the most attention. The consequence framing was in contrast to the more interventionist tenor of news coverage when journalists were writing about the causes of the crisis or the moral dimensions of the regulatory response. So long as the framing was in terms of policy consequences, the Overton Window does not appear to have shifted markedly despite the crisis.

This chapter is not making the normative claim that news media should have favoured Narrative 2 due to any notion that it was based on a superior paradigm. It does, however, seek to understand how and why an acceptance of Narrative 1 may have occurred. It was an acceptance that is all the more perplexing given that journalists indicated that they were aware of the agendas that actors were pushing and also that they sought to employ journalistic practices to ensure they were not unwittingly enlisted in those agenda-building efforts. Considering both the texts and the interview comments, I formed three theories that together potentially explained the media behaviour.

The first is that the widespread, concerted nature of the agenda-building efforts played a role. This is not to suggest some kind of a conspiracy was formed in response to the crisis. The alliances and channels of cooperation between pro-market actors clearly pre-dated the crisis. The point here is that the crisis did not disrupt those alliances and if anything may have acted to incentivise many actors who recognised the moment as being critical in paradigmatic terms, creating a kind of circle-the-wagons response. The evidence gathered in terms of unmediated texts showed consistent patterns and a clear desire to retain the market-oriented paradigm despite the anomaly that the financial crisis represented. The result was that the prevalence of messages aligned with Narrative 1 could not be avoided by news media, regardless of any biases journalists may have had.

A second theory is that those actors who pushed a pro-market narrative were adept at their work. Their use of anecdote, vague language, the conflation of terms (when it was to their advantage) and consequence framing in general all point to sophisticated strategies to build their agendas. The framing and attempts to push their narrative focused on intuitive propositions, ones that had been argued, in some cases, for years before the crisis and which reporters were primed to accept. As such, these efforts may not have raised the kind of red flags among journalists that clumsier attempts might have. Even if red flags were raised, the use of consequence frames and the weakness or absence of feedback loops meant that he-said-she-said journalism could gain a foothold. In such an environment, the status quo is often the victor. This issue, arguably, was seen most strikingly in the way that TBTF and bailout were to become terms that produced a degree of ambiguity that favoured those arguing against regulation.

A third theory is that despite the standards and professional qualities that journalists at elite media exhibited, these agenda-building strategies were able to succeed because the journalism industry has systemic issues of its own. It was populated by journalists who, by the time of the crisis, had spent most, or in some cases all, of their working lives in an environment that accepted a market-oriented paradigm. Their backgrounds meant they did not necessarily represent the wider community of readers they served, potentially making them vulnerable to unconscious biases. And even highly experienced journalists faced steep learning curves in trying to deal with many of the issues at the core of the regulatory story, all of that occurring while their organisations were constantly losing institutional memory. This combination of factors left pro-market actors able to take full advantage of any knowledge gaps they encountered, such as with the capital requirements narrative that was pushed strongly.

All three theories help explain the patterns seen in the content analysis. In many ways this third theory, to me, seems to be the most powerful because it accounts for a critical aspect of the success of the agenda-building efforts in terms of consequence framing. It also acknowledges the kind of critiques that radical functionalist theorists have made over the years, while still allowing for an elite news media that robustly seeks to pursue its own autonomy.

The loss of institutional memory is, by definition, key to the media amnesia that was exhibited in the discussion about bailouts and regulatory consequences in general. Amnesia, in turn, offers an explanation for the resilience of the market-oriented paradigm that goes beyond an analysis along strictly Kuhnian terms. As noted in chapters one and two, the crisis represents an anomaly that could not be explained by a paradigm that rested on the notion that unfettered markets were self-correcting and thus immune to the kind of systemic breakdown witnessed in 2008. In a Kuhnian account of paradigm contestation, that diagnosis requires either that the old paradigm changes to accommodate the anomaly, or that there is paradigm shift. But paradigms in the behavioural sciences may not be the same as in the natural sciences; whatever laws we discern from behavioural economics do not appear to be as immutable as the laws of nature, or at least our understanding of those laws is incomplete. As such, outside of the natural sciences, I would argue that there is a third way of dealing with an anomaly, which is collective amnesia.

News media, faced with the loss of institutional memory, may be particularly vulnerable to this phenomenon (Basu 2018), although collective amnesia is certainly not exclusive to the journalism industry. Geithner, writing in the *Wall Street Journal* in the run-up to the 2012 election, saw it as a society-wide issue: “Yet only four years after the financial crisis began to unfold, some people seem to be suffering from amnesia about how close America came to complete financial collapse under the outdated regulatory system we had before Wall Street reform.” (Geithner 2012) The idea that so many people could display such a form of amnesia illustrates, possibly more than anything else, the resilience of the pre-crisis paradigm. Rather than give up on this paradigm, people seemed prepared to forget what they had just experienced.

Chapter 8

Conclusion

In January 2010, a public relations consultant and author named Frank Luntz circulated a 17-page memo called “The Language of Financial Reform” (Luntz 2010), offering opponents of Dodd-Frank a detailed discussion about public attitudes regarding the crisis and some tips for how to speak publicly about regulatory proposals. A glimpse of the contents of the memo featured in one of the *Washington Post* articles in the sample used for this thesis, although the document was first reported on by the *Huffington Post*. That newspaper had called it a “playbook to help derail financial regulatory reform” (Stein 2011). The *Washington Post* article told of how the memo included a guide of words to use including "bloated bureaucracy," "big bank bailout bill," "wasteful Washington spending" and "unintended consequences" (Dennis 2010a). The memo acted as a primer in regulation framing (Cox 2018), an agenda-building tool for those looking either to water down reform or to build a narrative to help thwart paradigm shift. In that sense, the findings of this thesis speak to how effective Luntz and his clientele were.

The memo was published by a public relations firm called The Word Doctors, of which Luntz was chief executive.[118] The firm’s LinkedIn page has noted that he has had a track record in reframing ideologically charged terms:

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[118] At the time of writing, Luntz was still running the firm, according to its LinkedIn page (The Word Doctors n.d.).

> In the political arena, our CEO, Dr. Frank Luntz, is known for helping change the public vocabulary – he transformed the "estate tax" into the "the death tax," moved the public debate from "school vouchers" to "opportunity scholarships," and re-cast "drilling for oil" as "exploring for energy." (The Word Doctors n.d.)

Attempts to redefine the terms of discourse are the stock and trade of the public relations industry, and the LinkedIn page for Luntz's firm indicates a readiness on his part to openly advertise the nature of his work. In terms of the 2010 case, Luntz's transparency about such "efforts to change the public vocabulary" became newsworthy, as seen by the attention devoted to the memo by the *Huffington Post* and the *Washington Post.* In chronicling these efforts, one could say the reporters for these newspapers were establishing their journalistic bona fides, showing that they were not necessarily taken in by spin. Indeed, many of the journalists interviewed for this thesis demonstrated a keen awareness of the degree to which some actors sought to frame regulatory issues a certain way.

Still, despite such awareness and evidence that many reporters worked hard to avoid being spun when covering Dodd-Frank, the content analysis showed that terminology or ideas that Luntz had suggested repeatedly found a home at the country's two leading newspapers. Some of this was inevitable; when key actors make important public statements, journalists often have little choice but to report them, and if those actors are effective at framing issues a certain way, that will appear in the news coverage. But at the centre of the analysis in this thesis is a preoccupation not with whether there were frames that aligned with one paradigm or another, but with how many of them appeared, in what forms, from which sources and with what frequency.

In other words, journalists' awareness of actors' efforts to frame debate does not automatically mean that those actors will not succeed in promoting their desired narrative. In my own former career as a journalist, having been involved in coverage of the crisis and its aftermath, I became aware of narrative-crafting efforts by various actors when covering conferences and news events where financial regulation was a central topic, or when interviewing regulators, experts and market participants in the United States, Britain and continental Europe.[119] Those experiences inspired this thesis. The project, which aimed to understand and account for news media behaviour, concluded that post-crisis regulatory coverage reflected a pattern of agenda-building efforts to shore up the pre-crisis market-oriented paradigm.

Before discussing the thesis findings and conclusions, it helps to remind ourselves of the research questions posed at the beginning of chapter three. They were based on two starting assumptions: first, that a regulatory paradigm shift required a change in public discourse as well as one in policy; and second, that paradigm shift with regard to financial regulation did not appear to have occurred in the initial years after the crisis. Under the umbrella of a broad question about elite news media's paradigmatic agenda-building role, there were three specific research questions, the first two of which were closely related.

> *RQ1: In what ways and to what extent did elite news media advance post-crisis narratives that promoted a given policy paradigm?*
>
> *RQ2: How did elite news media's framing and narratives align with discourse from other actors and contribute to a wider paradigmatic discourse?*
>
> *RQ3: What media production factors help account for the paradigmatic orientation of post-crisis news coverage?*

The first question addresses news media content; the second puts that content into a wider context; and the third asks what may have influenced the production of that content. With regards to RQ1 and RQ2, the research found that public discourse was marked by resistance to abandoning the pre-crisis paradigm and that this appeared in distinct ways. Journalists were shown to be receptive to arguments for increased statism when discussing crisis causes or the moral dimensions of the regulation debate.

[119] I make no claims regarding my own ability to remain neutral in the face of agenda-building efforts by actors who were motivated to advance one narrative or another. The observation is to note that awareness does not automatically lead to objective or neutral coverage. Even as reporters for the *Washington Post* and the *Huffington Post* could call out clear attempts at spinning, and just as journalists I interviewed demonstrated their own awareness, the data in this study showed clear patterns that favoured some of the framing that certain actors sought to advance.

But more often, issues were framed in terms of economic consequences and here anti-interventionist frames dominated coverage.

The first chapter and the pre-crisis case study in chapter four both noted strong signs of a society-wide embrace of neoliberalism before the crisis. But the anomaly that the crisis represented, with regards to the market-oriented paradigm, created conditions that favoured paradigm shift. Faced with those two opposing forces, it is thus not surprising that elite news media covered the regulatory story in a mixed fashion, with some types of news framing consistently aligned with an interventionist paradigm that reflected a desire for change, and other types aligned with a market-oriented paradigm that harked back to the country's long embrace of neoliberalism. But the strength of the anti-interventionist narrative, and the fact that it developed so swiftly despite the extensive dislocation which had just occurred, was still remarkable.

From this mix of frames, a news narrative about the past (crisis causes) emerged that was in line with an interventionist paradigm, although the analysis showed that elite media did not point the finger squarely and exclusively at Wall Street, as conventional wisdom suggested they had. When news media engaged in moral framing, it also favoured interventionism, but this proved to be the least common type of news frame in the sample. Rather, it was the narrative about the future (regulation consequences) that was pushed most forcefully, and this narrative was aligned with a market-oriented paradigm. Specifically, a media narrative that state-led regulation is inherently hostile to the economy and to ordinary people was reinforced, precisely at a time of intense debate over reform. RQ3 then asks what could help account for this orientation. To this, the research provides evidence of sophisticated narrative strategies by pro-market actors based on frames deemed likely to resonate most with the public.

In order to explain how the thesis arrived at these findings, I will briefly summarise each of the first seven chapters, with particular focus on the project's four case studies. As part of that discussion, I will show how together they pointed to systemic media production issues. Those systemic issues, I argue, highlight the news media industry's susceptibility to other actors' agenda-building efforts in certain specific situations, namely when coverage involves a complex news topic that has a clear ideological component and large-scale ramifications for society. Put in more simple terms, when the topic is opaque, and people's worldviews are involved, and the stakes for society are high, there is a risk that journalists – even those at news organisations with the highest standards – will be susceptible to other actors' efforts to build certain narratives.

After summarising those case studies and observations about systemic issues, I will discuss the contributions to knowledge this thesis has made, which come in two forms. First, the project offered a new methodological approach that merged qualitative and quantitative analysis. Second, while utilising this approach and demonstrating its value, the project identified distinct patterns of news media coverage and agenda-building techniques, thus adding significantly to our understanding of post-crisis media behaviour. I will conclude with observations about potential research that could build on the findings and methodological approach the project has offered.

8.1 Thesis summary

Historical and theoretical context, methodological choices

This thesis considered an extremely broad subject, and to do so it drew on an extremely broad range of ideas, theories and concepts. The first three chapters provided the historical, theoretical and methodological context for the four case studies that followed. Chapter one introduced a broad question concerning news media's agenda-building role, and it proposed an approach for examining that role through the prism of Kuhn's ideas about paradigm shift. Along with defining important terms of reference, the chapter developed arguments both for a historical view about the evolution of regulatory policy paradigms, and for a starting assumption that paradigm shift did not occur in the initial years after the crisis.

The literature required to consider and contextualise the main research question was reviewed in chapter two. It featured four major strands. The first was a constructivist strand, which examined theories of social constructionism, agenda-building and the role of narrative in policy analysis, all of which I felt were fundamental to the subject at hand. A political economy strand then examined the wider forces that enveloped agenda-building and media behaviour, considering theories that illuminated the intersection of news media, culture, political science and policy. A third strand focused on media theory, including ideas about how news media operates and methods for determining media bias. A fourth and final strand surveyed scholarship specifically focused on journalism and the financial crisis. It showed that much of that literature to date was concerned with news media before the crisis but not afterwards; and it showed that an emphasis by scholars on the news media's watchdog role resulted in comparatively less attention to policy agenda-building and related ideological concerns.[120]

Having arrived at the starting assumptions about paradigm contestation and considered these four strands of literature, I was in a position to define the specific research questions mentioned above. That then left the task of detailing and explaining a methodology that was developed to answer those questions. This was the subject of chapter three. In merging post-positivism and constructivism as part of a mixed methods strategy, the methodology argued that paradigmatic leanings in news articles could be identified in a quantifiable way through the coding of news frames. In doing so, it suggested, one could identify patterns of behaviour that otherwise might not be apparent.

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[120] Some research suggested that news media's supposed failure to perform its watchdog role could be traced to ideological factors; but such analysis was focused on explaining pre-crisis behaviour rather than examining the post-crisis coverage for signs of change.

In a hypermediated world, the phrase "media narrative" has become commonplace, tossed about freely by media figures, scholars and political actors. But providing systematic evidence about such narratives is a complicated exercise. It required a means by which one could observe and categorise the underlying components of the narratives. The methodology developed here situated the media narrative within a conceptual framework, one where the narrative is supported by news frames acting as building blocks, and where the narrative in turn supports paradigms and their governing ideologies. This building block approach, coupled with an ideological dimension, allowed for the collection and mining of rich data from news texts and unmediated sources.[121]

As was made clear in chapter three, the project was not aimed at identifying or understanding media effects. It focused instead on media content and media production. In support of this decision, I am thus proposing that shining a light on news framing patterns matters in at least two significant ways. In can provide systematic evidence of the discourse of a range of policy actors (which in this case has meant it could be used, among other things, to buttress the case that paradigm shift did not occur in the initial post-crisis years). More significantly, it can help us to understand the way that news media behave and the ways that actors may be able to build ideologically based narratives.

Case study findings and conclusions

As chapter three showed, based on an analysis of think tank literature and the results from the coding of a nearly three-year sample of news articles, I was able to design and conduct three post-crisis case studies. But before any discussion of those studies, it was necessary to establish an understanding of how elite news media had behaved before the crisis in terms of its paradigmatic posture. Only with

[121] Interestingly, at around the same time as the period under study in this project, the financial industry began to develop its own techniques for data mining massive amounts of news and social media texts. In the post-crisis period, companies such as Bloomberg, Dow Jones and Thomson Reuters began marketing products that featured raw data and sentiment indicators derived from the analysis of millions of social media feeds and tens of thousands of internet news sites (Cox 2012). It is important to note, however, that the aims and techniques of these automated products differed sharply with those of the methodology I developed.

such an understanding could one make knowledge claims as to whether media coverage displayed different or similar behaviour after the crisis.

The first case study, therefore, was focused on events nearly a decade before the crisis as a major act of deregulation was agreed in Congress and signed into law. Chapter four thus showed how coverage in the two leading U.S. newspapers, the *New York Times* and the *Washington Post,* was consistently aligned with a market-oriented paradigm. News frames that characterised state intervention as a problem, and that touted the economic benefits of deregulation, were abundant in the news articles reviewed, which constituted six months of coverage around legislation to dismantle regulatory measures that were formed in the Depression era. This case study had a singular objective, in terms of establishing a baseline, so it was more modest in its scope than the three case studies that followed. It contributed to RQ1 by allowing us to see how post-crisis coverage compared with pre-crisis coverage; but it did not seek to address issues with regards to RQ2 or RQ3.

The next three chapters were devoted to the three post-crisis case studies. Each of these was focused on a frame type and a key issue that featured in the think tank literature which I had reviewed. The two case studies that were focused on cause frames and consequence frames were concerned with RQ2 as much as RQ1, with each reviewing representative texts from the different actor groups in order to see whether there were patterns across the full spectrum of actors represented. The case study on moral judgment frames took a slightly different approach in that there were so few of these frames in the news coverage. It addressed RQ2 in terms of some actors, but not in a comprehensive manner. Rather, it was focused on RQ1 and what explained this dearth of attention to moral issues in a story so deeply infused with morality. All three of the case studies featured extended discussions based on the views from the interviews, as I sought to account for the results from the content analysis and gain insight into media production factors that might account for the framing patterns. I chose to order the case studies in a way that was loosely chronological, starting with the pre-crisis coverage, then the discussion of crisis causes, then morality, and finally the future in the form of regulation consequences.

Chapter five showed how elite news media, in writing about the causes of the crisis, framed discussion in a manner compatible with an interventionist paradigm, but it did so in a way that also apportioned blame widely. News media framing was in line with a narrative that held that "everyone" was at fault, as journalists showed an aversion to lining up behind one clear crisis cause. The most common category of causes that featured in the coverage related to the financial industry and excessive risk-taking, but factors related to government behaviour also came up frequently. There were also numerous cases of vague or unspecified causes, or references to systemic factors that did not automatically apportion blame. Overall, the coverage differed from the widespread impression, summarised by Brookings Institution, that news media appeared to be pinning the blame primarily on Wall Street. At least at elite news media outlets, journalists' sense of professionalism steered them away from the more radical or polemic positions in the discourse. At the same time, the interviews and the content analysis showed how financial industry actors seeking to reinforce a market-oriented paradigm bypassed the news media and chose to work behind the scenes directly with political actors to build an agenda.

Chapter six focused on the least common frame type, moral judgment. The content analysis showed that when moral frames were employed, they were overwhelmingly aligned with an interventionist paradigm, by a factor of almost five to one when compared with frames aligned with a market-oriented paradigm. But even with this heavy skew, the case study showed how the treatment of morality by elite news media, and by other actors, reflected only a reluctant embrace of statism and ultimately could be used to form a narrative that favoured neoliberalism.

The moral judgment frame was a frame type almost purpose built for narrative in that so often it involved the kind of character types and conflicts that promised compelling narrative arcs, such as heroes, villains and victims. Yet, as the analysis showed, it was also a frame that journalists tended not to feature. Some of this was traced to a sense of professionalism; another factor was the complicated nature of the story; and a third factor that appeared to play a part was the reluctance of the state, in this case the Obama administration, to frame the regulatory story in moral terms. Even with morality-based stories that involved issues the public appeared to care about, such as how much bankers were paid, the news coverage was scarce. Elite media journalists' concerns with adopting binary constructions (good/evil, hero/villain), coupled with Obama's own reluctance to push the "fat cat" narrative, left a vacuum in the coverage. In other words, the narrative that emerged in the coverage was not one of justice being served but one of bankers escaping their rightful punishment. Both interventionism and neoliberalism, as the chapter makes clear, can lay claims to offering the morally right path. The case study concluded that in absence of a stronger narrative in favour of the interventionist paradigm, populist political actors such as the Tea Party, were able to fill the void with their own morality narrative, thus promoting a market-oriented paradigm.

The last case study was reserved for the most common type of frame other than solution frames: the consequence frame. Chapter seven featured the largest and most detailed case study, looking at how consequence frames were used both to characterise a complex debate over the issue of too big to fail (TBTF) and ultimately to advance the narrative that emerged most clearly from the coverage, namely the market-oriented position that government is the problem not the solution, that regulation risks strangling the economy, and that ordinary people will suffer as a result.

The chapter showed how TBTF took on multiple meanings and how different actors positioned themselves according to policy over TBTF, as positions broke down neatly according to the two generic paradigms. It also showed how a market-oriented narrative regarding TBTF began to dominate public discourse as political actors opposed to interventionism found electoral success. These actors advanced their own frames and, when they gained control of Congressional committees, provided a platform for other actors such as think tank experts to do likewise. The chapter showed how news framing led to media narratives that aligned closely with pro-market actors from the state, the financial industry and the think tank community. Actors who unambiguously supported interventionism, such as public advocacy campaigners, were marginalised.

The above findings spoke to RQ1 and RQ2. As for RQ3, the chapter identified several factors that helped account for the narratives that emerged. Pro-market actors from the financial industry, the think tank community and the state actors worked in concert and were adept at their work. They identified frames that resonated most with the public and pushed them aggressively; they used anecdote and vague language; they conflated terms in ways that evaded the scrutiny of serious journalists, relying on weak feedback loops and reporters' tendency to succumb to he-said-she-said journalism. The quantity of market-oriented frames, the quality of the frames and the techniques used to advance those frames could all be seen to help build the narrative, the case study found. At the same time, those actors were able to take advantage of systemic factors such as the constant loss of institutional memory at news organisations.

Taken together, the case studies highlight several patterns. Actors who favoured a market-oriented paradigm – mostly political actors but also independent elites and financial industry figures – focused on the frames that they had reason to believe resonated most with the public. Where the battle was likely to be less successful, such as with crisis causes or moral issues, they ceded ground, but even here they made the most of the situation to shore up the pre-crisis paradigm. In the case of crisis causes, financial industry figures appeared to make a strategic decision to stay out of the press while maintaining relationships with sympathetic state actors and arguing in Congressional committees that no one could have seen the crisis coming. Meanwhile independent elites and political actors used the Congressional inquiry as a platform to push a theory that government policies caused the financial crisis, finding some modest success with the news media despite clear scepticism from experienced journalists. In the case of moral frames, journalists showed less interest in pursuing that story, a tendency that enabled pro-market actors to flip the script and suggest the reform-minded Obama administration was not interested in moral justice. Finally, with consequence frames, those aiming to thwart paradigm shift were able to accomplish two feats: They were able to suggest that Dodd-Frank's efforts to reduce systemic risk and tackle the TBTF issue would lead to more bailouts rather than less; and they managed to achieve an overwhelming advantage in the frequency of market-oriented frames that decried regulation as an unfair, bureaucratic, job-killing infringement on the economy and on ordinary people.

Chapter two highlighted a concern that scholars had with the news media's posture in the run-up to the crisis and the possibility that it had acted more as a cheerleader for the market rather than a watchdog for society. Assuming that concern was valid, there is even greater reason to be focused on news media behaviour after the crisis. In this regard, there are at least three ways to view the divergence in the framing patterns in terms of understanding that post-crisis behaviour. In one scenario, the divergence is meaningful but explainable. Here, elite news media had a knee-jerk bias towards paradigm shift when discussing causes and morality; but once the subject turned to consequences, either deeper, unconscious biases kicked in or other actors proved particularly adept at managing the media. In a second scenario, the divergence is superficial. Here, a holistic reading of discussion about crisis causes and morality showed a stronger embrace of the pre-crisis paradigm than the data initially suggest. The readiness at times to blame government and the reluctance to engage in extensive discussions about morality in this sense can sit harmoniously with the patterns seen in consequence framing. In a final scenario, the divergence represents a statistical fluke. Further study with larger samples would be needed to rule out the third scenario. But the first two scenarios point to a news media industry that had not fully abandoned its market-cheerleader posture and/or one where journalists were more susceptible to actors' agenda-building efforts than they might have realised.

8.2 Contributions to knowledge

In adding to the literature about news media behaviour and the financial crisis, this thesis has offered a new understanding of the ways that narrative components, in the form of news frames, have been used to support a paradigm. There has been no shortage of critiques about the performance of the news media industry before the crisis; this study concentrated on the performance afterwards, and it did so in a different way than other studies have. Drawing on literature about policy change theory, paradigm contestation, framing and narrative, the content analysis showed how elite news media could prove receptive to elements of a paradigm despite unfavourable conditions, partly as a result of concerted agenda-building efforts and systemic factors.

News media historically have held a privileged position in matters of public discourse, in part due to the standards of objectivity and neutrality that they had developed over the decades (Schudson 2001; Skovsgaard et al. 2013). Cunningham (2003), however, showed how notions about objectivity could be problematic and he called on the journalistic industry to acknowledge its own shortfalls; he also called on the industry to free up journalists “to develop expertise and to use it to sort through competing claims” (Cunningham 2003, p. 31). The case studies offered here have shown how committed elite news media journalists were to the ideals of objectivity; but they also have shown how journalists could display patterns that favoured a paradigm that had been widely discredited and the nature of the difficulty that comes with sorting out competing claims. This is a more detailed understanding of news media’s susceptibility to agenda-building efforts in matters of finance than has been available to date. Its significance is that we can see the degree to which that call for the development of expertise, if it is indeed a solution to the corrosive effects of concerted agenda-building, remains a work in progress. In this sense, the findings add to the literature about the news media’s watchdog role by showing the ways in which ideologically driven framing could continue to influence news coverage after the crisis, and by shining a light on which actors were pushing which types of frames.

In a broader sense, the findings and conclusions drawn from this project do not sit neatly within either a radical functionalist or a liberal pluralist tradition. The research suggests journalists were vulnerable to, or constrained by, the agenda-building efforts of other actors. Journalists’ backgrounds, knowledge or abilities appeared to play a part, as did the skills and resources of those actors seeking to influence media coverage. At the same time, it was clear that elite news media journalists retained a degree of autonomy and independence. They exhibited both the capacity and the readiness to resist efforts by powerful interests to influence coverage; they also showed an eagerness to understand their own weak points and to grapple with problematic aspects of their profession. Much like the ideal public sphere that Habermas conceptualised, a journalism that is unencumbered by ideological bias, independent of powerful interests, even-handed and still toothsome will always be an impossible goal. But that is not to say that journalists who reach this level do not strive for it and, in some areas, do not enjoy relative measures of success. The objective with a project such as this is to separate editorial wheat, in terms of those areas of success which validate the pluralist model, from editorial chaff, where the evidence supports radical functionalist critiques.

A second, and arguably larger, contribution this project has made is via the methodology. Without a systematic way for identifying framing patterns that could be analysed in a variety of ways, I question whether it would have been possible to see such evidence of the distinct ways that post-crisis narratives were built by different actors. The level of coding allowed for analysis that revealed patterns that were not immediately apparent. For instance, a simple count of the total number of frames supporting an interventionist paradigm would suggest that the market-oriented paradigm was in full retreat after the financial crisis. But that was largely due to the fact that solution frames, in constantly reporting on the Dodd-Frank Act, which was interventionist in nature, were boosting the frame totals that supported an interventionist paradigm. By allowing for frames to be analysed according to frame type, actor type and other categories, a number of distinct patterns could be observed. This could lead to closer scrutiny of specific news issues, frame messages and other factors that could help show the strength of one narrative or another. The project's conceptual framework, which positions frames in terms of narratives, paradigms and ideologies, offers a means of systematically understanding the ways that framing can be understood in terms of bias, as proposed by Entman (2007).

Numerous academic studies involve mixed methodology approaches that blend positivist and constructivist epistemology. Studies often complement qualitative analysis with quantitative analysis, or vice versa, treating each approach as a distinct means of establishing evidence and ultimately knowledge. My approach in terms of content analysis has involved blending these two approaches at a deeper level, in order to create an ideological news media indicator, one that can point the way towards issues worthy of closer scrutiny. The approach has precedent in the fields of economics and political science. The idea of conducting qualitative analysis at a quantitative level is the basis of a large number of economic and market indicators that have been developed to enable market participants to take a view about economic trends and the possible directions of various asset prices. Examples of such indicators include consumer confidence indexes, purchasing manager surveys and business confidence measures. It is also the basis of certain types of public opinion polling. Such indicators involve the collection and aggregation of large numbers of qualitative assessments by representatives of specific sectors, such as consumers, purchasing managers or business executives, or, in the case of opinion surveys, members of the public.

Evidence of the potential advantages of the methodology became apparent at one particular point during the project. It was noted earlier that the case studies were presented loosely in chronological order; this does not mean they were conducted in that order. Having collected the data, identified the patterns, interviewed many of the representative actors and drafted large portions of the three post-crisis case studies, I realised that the thesis at that stage lacked evidence that coverage at the two newspapers had changed in any significant way from before the crisis. Hence, it became necessary to consider a previous regulatory news story, which in this case turned out to be Gramm-Leach-Bliley and the dismantling of Glass-Steagall. Based on the analysis in chapter one that suggested a market-oriented paradigm had dominated discourse in the late 1990s, one could have expected to see news coverage employ framing and narrative techniques that supported that paradigm. Using this methodology, such a hypothesis turned out to be correct. The fact that chapter four showed an unambiguous framing pattern reinforced the notion that this methodology worked, because it showed how meaningful patterns could be identified in different time periods. The significance of this is that it becomes possible to identify some of the precise ways that ideological components can become part of public discourse.

8.3 Potential areas for future research

There are three major ways in which I believe future research could build on the findings and methodology this thesis has produced. The first of these is to extend analysis of journalism and public discourse concerning financial regulation; questions can be posed about paradigm agenda-building in more recent times and in different arenas. The second is to apply the methodology to other subjects, such as climate change, public health and technology. A third would be to consider more systematic research into the nature of news narratives, again using the methodology as a jumping-off point.

With regards to the first category, the 2016 election results in the United States raised immediate questions about the dominant paradigm for financial regulation. As a candidate, Donald Trump had campaigned on a promise to gut Dodd-Frank. Upon taking office, he ordered a review of the law so that it aligned with a set of "core principles", such as the need to empower individuals to make independent financial decisions and to enable the United States to be competitive (White House Office of the Press Secretary 2017). Yet Taylor (2018) argued that despite threats to the law and efforts to water it down, it was too soon to sound the death knell for Dodd-Frank. Has public discourse changed in a more significant way in more recent times, such that the prospect of paradigm shift towards a more interventionist approach to financial regulation truly has vanished? Or is there evidence that over time interventionist ideas have somehow gained a stronger foothold even as the crisis falls further behind in the rear-view mirror? As chapter one and subsequent chapters made clear, the process of paradigm contestation can be extremely long. The question of regulatory paradigms and public discourse could also be applied to other countries that have been either more or less aligned with the United States in order to identify the ways in which this low-salience topic plays out in the public sphere.

With regards to the second category, the methodology holds promise for systemic analysis of a wide range of subjects. Earlier in this chapter, I argued that the project highlighted a potential susceptibility in news media whenever coverage involved a historically low salience news topic that had a clear ideological component and large-scale ramifications for society. News coverage of highly technical issues relating to climate change, technological advances and public health will often meet these criteria. Research by Allan, Anderson and Petersen (2010) that was cited in chapter three points in this direction, showing how quantitative framing studies can be applied to complex, thorny subjects and how that can lead to new understandings regarding media production. At the time of writing (2020), societies across the world are asking fundamental questions about public health and the roles of the state, the citizenry and the private sector in preventing widescale catastrophes. The coronavirus pandemic from COVID-19 has prompted government measures that would have been considered unthinkable only a short time earlier. But before embarking on such studies, an initial question must be asked as to whether a paradigm has been challenged by an anomaly. Provided it has, this methodology offers a means of considering the ways that journalists and their sources are building the narratives that will reinforce or contest the prevailing paradigm.

In regards to the third category, considerable analysis has already been conducted concerning the way that news narratives proliferate and how they operate, drawing on constructivist ideas about how audiences process information. This project involved examining one set of building blocks, in the form of frames, to determine how narratives could be fashioned. But a more complex and representative approach could be developed for systematic analysis, one which also considers actors in terms of specific roles they play (protagonists, victims, heroes, villains etc.), as well as devices (story structures, metaphors, analogy, rhetorical techniques etc.) and other factors. By understanding more about the propensity for different narrative techniques or features to occur in news coverage, we could gain new insight into media production to better understand the ways that journalists, either reflexively or intentionally, help paint the pictures in our heads.

8.4 Concluding remarks

I am conscious of the ways that narrative not only has been a focus of this thesis, but also has played a role in the writing of it. The first chapter began with an anecdote, an account of how paradigmatic leanings influenced decision-making at a critical time in 2008, as the state interacted with the private sector in an attempt to avert a looming crisis. In that moment, considerations about news media coverage and public discourse played a part in those decisions. This last chapter also began anecdotally, recounting an instance in 2010 where one political actor brazenly sought to influence public discourse about the role of government in preventing such crises in future. Both instances were chosen because they illustrated the ways that journalism acts as a focal point during paradigmatic agenda-building efforts. After the first instance, elite news media were to become engaged in a battle of narratives over what kind of paradigm was needed to ensure prosperity, stability and fairness. In the second instance, we see an example of just how that battle was being waged, whereby the use of framing to build narratives was instrumental. Regardless of the rationales for these anecdotes, it is still worth remembering that they are, of course, narrative devices themselves and my choice in using them serves as yet one more illustration of how strong the attraction of narrative can be.

In addition to anecdote, the thesis also has relied on metaphor, another narrative device, with the repeated discussions about battles, marketplaces, games, prisms etc. There is always a risk that the reductive nature of metaphor obscures or subtly distorts meaning as we try to grapple with the underlying issues of a situation, development, topic, trend or process. I would conclude by arguing that even with such risks, the battle metaphor has been appropriate here. The process of paradigm contestation does indeed appear to be a battle, evidenced not least by the word contestation. This thesis has offered evidence of how one battle played out and the ways that elite news media were instrumental. More importantly, I would argue, it has suggested a way of viewing future battles.

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Appendix 1

The table below summarises the main regulatory changes contained in 16 titles that make up the Dodd-Frank Wall Street Reform and Consumer Protection Act. The source of this table is the official summary text of the act, which can be viewed here: https://www.congress.gov/bill/111th-congress/house-bill/4173/text.

The appendix aims to 1) provide an overview of the main provisions of the act, which can be used as reference for discussions throughout the thesis, and 2) illustrate the scope and breadth of the act. Some parts of the official summary have been omitted and the official language has been edited for space and clarity. The fourth column designated the focus of each change based on my analysis and not any official designation. I viewed Dodd-Frank as targeting systemic risk, consumer protection, taxpayer protection and investor protection; I also included a miscellaneous category.

Regulatory change	**Specifics on what Dodd-Frank does**	**Which title**	**Main focus**
Introduces more oversight of risks	Creates the Financial Stability Oversight Council (FSOC) and Office of Financial Research (OFC) within Treasury. They are designed to work with each other to monitor systemic risk and research the state of the economy.	Title 1	Systemic risk
Creates body for supervision	Allows FSOC to place non-bank financial companies or domestic subsidiaries of international banks under Federal Reserve supervision if they are deemed to pose a threat to U.S. financial stability.	Title I	Systemic risk

Gives supervisory body powers	Allows FSOC to place non-bank financial companies or domestic subsidiaries of international banks under Federal Reserve supervision if they are deemed to pose a threat to U.S. financial stability; allows FSOC to require any bank or non-bank financial institution to submit certified financial reports.	Title I	Systemic risk
Sets constraints for supervisory body	Requires FSOC approval if Fed seeks to promulgate safe harbour regulations to exempt some types of foreign banks from regulation.	Title I	Systemic risk
Gives supervisory body powers	Introduces ability to impose stricter regulations on systemically important financial institutions (SIFIs).	Title I	Systemic risk, taxpayer protection
Sets requirement for private sector firms	Requires some institutions to create resolution plans ("living wills").	Title I, 165d	Systemic risk, taxpayer protection
Sets scope for regulatory power to take over firms	Expands laws to allow regulators to handle liquidation and receivership of insurers and non-bank financial companies.	Title II	Systemic risk, taxpayer protection
Streamlines agencies	Abolishes Office of Thrift Supervision, transferring various powers to other agencies.	Title III	Miscellaneous
Subject hedge funds to more regulation	Requires some previously exempt entities to register as investment advisers under the Investment Advisers Act of 1940.	Title IV	Systemic risk, consumer protection
Subjects insurers to more regulation	Creates the Federal Insurance Office within the Treasury; it is charged with monitoring the industry, identifying regulatory gaps that could lead to financial crisis, and making recommendations to the FSOC about any insurers it believes may pose a risk; it may require an insurer to provide data.	Title V	Systemic risk
Sets restrictions on proprietary trading	The so-called "Volcker Rule" restricts banks in terms of proprietary trading. It limits the amount that banking entities can own of hedge funds or private equity funds to 3% of total ownership; the total of all hedge fund or private equity fund interests that a bank owns cannot exceed 3% of Tier 1 capital. Requires banks that have transactions with any funds in which they have interests to disclose full relationship to regulators to ensure there is no conflict of interest, and it bans conflict-of-interest trading. It also requires regulators to impose counter-cyclical capital requirements.	Title VI	Systemic risk, taxpayer protection

Requires more private sector to provide more trade information	Authorises the CFTC and the SEC to collect information concerning the markets for any types of swap or security-based swap and report on those detrimental to the stability of a financial market or of its participants. It also requires derivatives trading to go through a central clearing house.	Title VII	Systemic risk
Sets standards for clearing and settlement	Tasks the Federal Reserve to create uniform standards for the management of risks by systemically important financial organizations and institutions by providing the Fed with an "enhanced role in the supervision of risk management standards for systemically important financial market utilities; strengthening the liquidity of systemically important financial market utilities; and providing the Board of Governors an enhanced role in the supervision of risk management standards for systemically important payment, clearing, and settlement activities by financial institutions."	Title VIII	Systemic risk
Aims to deter regulatory capture and establishes rules for retail trade	Creates an Office of the Investor Advocate, authorises a recently created Investor Advisory Committee and an ombudsman appointed by the Office of the Investor Advocate; SEC is authorised to issue "point-of-sale disclosure" rules when retail investors purchase investment products or services; these disclosures include concise information on costs, risks, and conflicts of interest; also authorises SEC to impose regulations requiring fiduciary duty by broker-dealers to customers.	Title IX, Subtitle A	Consumer protection, investor protection
Increases enforcement and remedies	SEC given more authority for enforcement, including a whistleblower programme. The SEC program rewards individuals who provide information that leads to an SEC enforcement action in which more than $1 million in sanctions is ordered, with rewards ranging from 10% to 30% of the recovery.	Title IX, Subtitle B	Investor protection
Expands regulation of credit rating agencies	Mandates the creation by the SEC of an Office of Credit Ratings (OCR) to provide oversight over NRSROs (nationally recognised statistical rating organisations) and enhanced regulation of such entities; regulations include the establishment of rules to prevent commercial factors from influencing rating decisions, requiring an internal control structure for following and maintaining policy on determining ratings, policies to prevent conflicts of interest; the subtitle authorises the	Title IX, Subtitle C	Investor protection

	commission to suspend or revoke registration and calls for further study about rating agencies.		
Adds regulations for asset-backed securities market	Requires retention of 5% of risk, creates rules for securitisers and requires rating agencies to provide certain specific information in their ratings of such securities.	Title IX, Subtitle D	Investor protection
Creates rules concerning executive pay	Requires SEC to direct exchanges to prohibit the listing of any company that does not follow rules regarding shareholders regularly getting a vote to approve executive compensation and also shareholders being informed of relationship of pay to performance; also calls for companies to disclose compensation arrangements to regulators, with a view to officials being able to determine whether packages could lead to material financial loss and whether remuneration may be excessive.	Title IX, Subtitle E	Investor protection
Allows for new corporate governance rules	Authorises the SEC to issue rules concerning shareholder nominations to the board of directors, and company requirements for informing shareholders about rationale for some executive board members.	Title IX, Subtitle G	Investor protection
Creates body to set accounting firm rules	Establishes a Public Company Accounting Oversight Board (PCAOB) and a council of Inspectors General On Financial Oversight. The PCAOB has the authority to establish oversight of certified public accounting firms. The SEC is authorised to make rules regarding securities for borrowing. The council is intended to facilitate more data sharing.	Title IX, Subtitle I	Investor protection
Creates bureau to oversee consumer financial protection	Establishes the Bureau of Consumer Financial Protection. The new Bureau regulates consumer financial products and services in compliance with federal law.	Title X	Consumer protection
Creates new post at Federal Reserve for supervision	The new post is responsible for developing policy recommendations to the Board regarding supervision and regulation of financial institution supervised by the Fed board, and oversees supervision of such firms. The title calls for the Government Accountability Office to audit the Fed for issues such as emergency lending facilities, whether Fed appointments are representative of the public, conflicts of interest and other issues. Also, the Fed is required to establish prudent standards for institutions that include capital and liquidity requirements (taking into account off-balance sheet activity),	Title XI	Systemic risk

	resolution plans, risk management and concentration limits.		
Increases access to financial institutions	Provides incentives that encourage low- and medium-income people to participate in the financial systems by offering certain tax exemptions to entities.	Title XII	Miscellaneous
Sets conditions for public bailouts of private sector companies	Reduces available funds for public bailouts and specifies that funds recovered shall be used for deficit reduction.	Title XIII	Taxpayer protection
Reforms mortgage lending regulations	Creates eight subtitles on mortgage lending and anti-predatory lending, four of which are to be administered by the new consumer protection bureau. Issues include data collection for underwriting and obligations on mortgage originators to ensure lending only goes to borrowers likely to repay loans.	XIV	Consumer protection
Various	This title includes language on a series of disparate issues, ranging from SEC reporting on mine safety to conflict materials concerning the Republic of Congo.	XV	Miscellaneous
Designates status of certain activities	Specifies what types of trades are subject to mark-to-market.	XVI	Systemic risk

Appendix 2

Consequence frame messages: Detailed breakdown

The following table provides a list of specific predicted consequences (frame messages) from a detailed analysis of the consequence frames that appeared in the *New York Times* and *Washington Post* samples. Sub-frame categories and frame messages were discussed in chapter seven.

There were three sub-frame categories that referred to financial regulation in line with a market-oriented paradigm. These suggested regulation “harms economy/public”, “harms business” and/or “harms the financial system”, with different frame messages in each category. Similarly, there were three categories that referred to financial regulation in line with an interventionist paradigm. They suggested regulation “helps economy/public”, “helps business” and/or “helps the financial system”, again with different frame messages in each category. Frames that were coded into these categories may have referred to Dodd-Frank specifically or to regulation in general.

The table below is a complete breakdown of the times that different frames contained the messages that fit into the different sub-frame categories.

Frame message	Number of instances
Harms economy/public	
Reduces growth/lending/investment	47
Reduces jobs or does not address job concerns	22
Does not address or exacerbates bailouts/taxes	19
Reduces consumer choice, adds to consumer costs	14
Undefined or broad-based damage	32
Subtotal	**134**
Harms business	
Reduces profit or revenue//increases business costs	37
Reduces competitiveness (including flexibility/innovation)	36
Increases red tape or creates corporate burden	28
Undefined or broad-based damage	19
Subtotal	**120**
Harms financial system	
Constricts markets (cost of capital, hedging rules etc)	13
Does not address or exacerbates systemic risk or causes of crisis	12
Increases trading costs	9
Punishes wrong entities	6
Undefined or broad-based damage	21
Subtotal	**61**
Total	**315**
Helps economy/broader public	
Enacts protective regulations for consumers	15
Segregates public and private risk	15
Guarantees or supports public lending	9
Allows the state to intervene in corporate situations	6
Helps safeguard jobs/savings	2
Undefined/broad-based contribution	31
Subtotal	**78**
Helps business	
Improves business environment (costs, clarity)	4
Improves competitiveness	3
Undefined/broad-based contribution	8
Subtotal	**15**
Helps financial system	
Constricts markets (e.g. cost of capital, hedging/risk rules)	9
Prevents shadowy, opaque trading	4
Promotes less risky behaviour	3
Enacts rules for investor fairness	2
Undefined/broad-based contribution	18
Subtotal	**36**
Total	**129**

Appendix 3

List of interviews

The following people were interviewed for this project between November 2017 and July 2019. They are listed in alphabetical order within each group based on surnames. Many of the journalists had changed jobs since the immediate post-crisis period. For those who moved to other news media organisations, I have also listed the news organisation which they have moved to. I have listed roles but not formal titles. All interviews were conducted via telephone or Skype, except where indicated as having been conducted in person or, in one case, via email.

Journalists

Anonymous, correspondent at a major newspaper

Caren Bohan, former correspondent at Reuters; currently an editor at *USA Today*

Tom Braithwaite, correspondent at the *Financial Times*; conducted in person

Simon Denyer, former bureau chief at Reuters, currently at the *Washington Post*

Carter Docherty, former correspondent at Bloomberg

David Enrich, former correspondent at the *Wall Street Journal*; currently at the *New York Times*

Francesco Guerrera, former correspondent at the *Financial Times*; conducted in person; currently at Barron's Group

Kevin Hall, correspondent at McClatchy

Diana B. Henriques, former correspondent at the *New York Times*

David Herszenhorn, former correspondent at the *New York Times*; currently at Politico

Ledyard King, correspondent, Gannett

Stephen Labaton, former correspondent at the *New York Times*

Peter Thal Larsen, former editor at the *Financial Times*; conducted in person; currently at Breaking Views

Brian Tumulty, correspondent, Gannett

Corporate sector

Anonymous, communications strategist at major communications consultancy; conducted in person

David French, former executive at International Franchise Association

Public advocacy

Heather Booth, former director, Americans for Financial Reform

Think tank authors

Gary Burtless, Brookings Institution

Robert Litan, Brookings Institution

Alex J. Pollock, American Enterprise Institute

Peter J. Wallison, American Enterprise Institute, conducted via email

Appendix 4

Think tank research sample

Following is a list of the think tank reports surveyed as part of the project. Works that were cited directly in the research are also included in the bibliography.

As noted in chapter three, a Google search was performed based on the website domains for each of the five think tanks surveyed. The search terms were “regulation”, “Dodd” and “Frank”, for the period from 1 June 2009 to 1 December 2012. The search identified 115 publications, of which 42 were omitted because they did not focus on financial regulation or were not examples of original research. Dodd-Frank’s wide-ranging nature resulted in some articles being included in the search results which were unrelated to the subject of this thesis. Those were omitted from the final list. For instance, the law included provisions for revenues generated from mineral resources, a subject which generated some think tank research but which was unrelated to the financial crisis. Some reports, blog posts or articles on economic analysis or other issues included only passing references to Dodd-Frank. These also were omitted from the final list.

There were a couple of instances where think tank authors published with think tanks other than their own. For example, Cato published one article by AEI’s Peter J. Wallison,

Publication titles, dates and authors are included in chronological order for each think tank in the sample.

American Enterprise Institute

Slaughter of the Innocents: Who Was Taking the Risks That Caused the Financial Crisis?
08/11/2010 Peter J. Wallison

Peer-to-Peer Lending: Innovative Access to Credit and the Consequences of Dodd-Frank
03/12/2010 Alex Brill

How Government Failure Caused the Great Recession
26/12/2010 Mark J. Perry, Robert Dell

Small Businesses and Big Unintended Consequences
12/01/2011 Scott Shane

The Public View of Regulation, Revisited
19/01/2011 Karlyn Bowman

Dissent from the Majority Report of the Financial Crisis Inquiry Commission
26/01/2011 Peter J. Wallison

The Lost Cause: The Failure of the Financial Crisis Inquiry Commission
10/02/2011 Peter J. Wallison

More Equity, Less Government: Rethinking Bank Regulation
24/02/2011 Mark J. Perry

The FDIC and Unintended Consequences of Dodd-Frank
02/05/2011 Multiple authors

The True Story of the Financial Crisis
13/05/2011 Peter J. Wallison

Is Obama's New Deal Better Than the Old One?
18/07/2011 Peter J. Wallison

The Error at the Heart of the Dodd-Frank Act
06/09/2011 Peter J. Wallison

Procyclical versus Countercyclical Policy Effects
16/09/2011 Alex J. Pollock

Competition and the Constitution
21/09/2011 Christopher DeMuth

The World in Crisis: Insights from Six Shadow Financial Regulatory Committees
05/11/2011 Multiple authors

Dodd-Frank Act, aka The 2010 Full Employment Act for Lawyers, Accountants, and Consultants
09/11/2011 Mark J. Perry

Common shock is the real cause of the financial crisis
26/01/2012 Peter J. Wallison

Free Fall: How Government Policies Brought Down the Housing Market
26/04/2012	Peter J. Wallison, Edward J. Pinto

Why We Need Principles-Based Regulation
22/05/2012	Arnold Kling

Checks, Balances, and Audits
20/06/2012	Arnold Kling

The Dodd-Frank Act’s effects on financial services competition
10/07/2012	Alex J. Pollock

Is the financial system stable without regulation?
18/07/2012	Peter J. Wallison

Financial markets and “system effects”: Complexity, recursiveness, uncertainty and mistakes in finance
24/07/2012	Alex J. Pollock

Fed Study says Bush and the Banks Didn't Cause the Great Recession. The Fed did
06/08/2012	James Pethokoukis

Five Myths about Glass-Steagall
16/08/2012	Peter J. Wallison

Breaking up the big banks: Is anybody thinking?
18/09/2012	Peter J. Wallison

Blame Bush? The two charts that show how the Great Recession really happened
24/10/2012	James Pethokoukis

Too big to ignore: The future of bailouts and Dodd-Frank after the 2012 election
24/10/2012	Peter J. Wallison

Brookings Institution

The U.S. Financial and Economic Crisis: Where Does It Stand and Where Do We Go from Here?
15/06/2009	Martin Neil Baily, Douglas J. Elliott

Reducing Systemic Risk in the Financial Sector
21/07/2009	Alice M. Rivlin

Too Big to Fail: "Systemic Importance" and Moral Hazard
30/09/2009	Gary Burtless

Consumer Financial Protection: Advantages, Dangers and Should it be a New Agency?
30/09/2009	Martin Neil Baily

Telling the Narrative of the Financial Crisis: Not Just a Housing Bubble
23/11/2009	Martin Neil Baily, Douglas J. Elliott

Do We Need a Consumer Protection Agency?
19/02/2010 Martin Neil Baily

Proposed Limits on ATM Fees and Credit Card Interest Rates: Counter-Productive Punishment That Goes Too Far
13/05/2010 Robert E. Litan

Credit Rating Agencies in the Crosshairs
31/08/2010 Martin Mayer

Executive Compensation Oversight after the Dodd-Frank Wall Street Reform and Consumer Protection Act
24/09/2010 Martin Neil Baily

The Top Economic Stories of 2010: '2010: A Year to Remember in Financial Regulation'
23/12/2010 Douglas J. Elliott

Identifying and Regulating Systemically Important Financial Institutions: The Risks of Under and Over Identification and Regulation
16/01/2011 Douglas J. Elliott, Robert E Litan

Catastrophic Mortgage Insurance and the Reform of Fannie Mae and Freddie Mac
28/01/2011 Diana Hancock, Wayne Passmore

The Economics of Housing Finance Reform: Privatizing, Regulating and Backstopping Mortgage Markets
01/02/2011 David Scharfstein, Adi Sunderam

Ending "Too Big To Fail"
14/06/2011 Michael Barr

The Dodd-Frank Act, One Year On
27/06/2011 Michael Barr

Enhancing Financial Stability: The Role of Transparency
06/09/2011 Donald Kohn

Risk-weighting of MBS and Sovereign Debt Under Financial Regulations
05/12/2011 Robert C. Pozen

The Volcker Rule and its Impact on the U.S. Economy
18/01/2012 Douglas J. Elliott

$2 billion Later: Policy Implications of JP Morgan Chase's Trading Loss
14/05/2012 Douglas J. Elliott

Reforming Institutions: The Next President Should Not Miss This Moment to Make Government Work
24/07/2012 William A. Galston

Moving Beyond Calls for a "New Glass-Steagall"
13/09/2012 Philip A. Wallach

Cato Institute

The Era of Expert Failure
14/09/2010 Arnold Kling

What Caused the Financial Crisis
16/11/2010 Richard W. Rahn

On the Paradox of Excessive Bank Regulation
20/03/2011 Steve H. Hanke

Would the REINS Act Rein in Federal Regulation?
27/06/2011 Jonathan H. Adler

Preventing Bubbles: What Role for Financial Regulation?
09/09/2011 Lawrence J. White

Preventing Bubbles: Regulation versus Monetary Policy
28/09/2011 David Malpass

Three Narratives About the Financial Crisis
28/09/2011 Peter J. Wallison

Understanding the Interventionist Impulse of the Modern Central Bank
16/11/2011 Jeffry M. Lacker

What Made the Financial Crisis Systemic?
06/03/2012 Patric H. Hendershott, Kevin Villani

Financial Literacy: Empowering Americans to Prevent the Next Financial Crisis
30/04/2012 Mark A. Callabria

The Fed's Fatal Conceit
15/05/2012 John A. Allison

Regulation, Market Structure, and Role of the Credit Rating Agencies
01/08/2012 Emily Ekins, Mark A. Calabria

The CFPB: Problem Or Solution?
17/08/2012 Mark A. Callabria

National Bureau of Economic Research

Over the Cliff: From the Subprime to the Global Financial Crisis
24/12/2010 Frederic S. Mishkin

Is Financial Innovation Good for the Economy?
12/04/2011 Simon Johnson, James Kwak

Risk Topography
28/04/2011 Markus K. Brunnermeier, Gary Gorton and Arvind Krishnamurthy

Challenges in Identifying and Measuring Systemic Risk
28/04/2011 Lars Peter Hansen

Why Did U.S. Banks Invest in Highly-Rated Securitization Tranches?
15/08/2011 Isil Erel, Taylor D. Nadauld, René M. Stulz

Executive Compensation and Corporate Governance in the U.S.: Perceptions, Facts and Challenges
15/09/2012 Steven N. Kaplan

Petersen Institute for International Economics

Not All Financial Regulation Is Global
22/09/2010 Stéphane Rottier and Nicolas Véron

Reform of the Global Financial Architecture
08/10/2010 Garry J. Schinasi, Edwin M. Truman

Too Big to Fail: The Transatlantic Debate
02/01/2011 Nicolas Véron and Morris Goldstein

The Impact of TARP on Financial Stability
04/03/2011 Simon Johnson

The Role of International Financial Institutions in Addressing the Financial Crises of the 21st Century: Confrontation or Cooperation?
13/07/2011 Edwin M. Truman