

Abstract

Title: The Swedish Banking Crisis, the Media and Policy. Public Interpretations and Reactions to the Banking Crisis in the 1990s.

Written in Swedish, summary in English. 280 pages.

Author: Bengt Larsson

Doctoral Dissertation at the Department of Sociology,

Göteborg University

Box 720, SE-405 30 GÖTEBORG, Sweden

ISBN: 91-972940-9-8

ISSN: 1650-4313

Göteborg 2001

This dissertation is a case study of the Swedish banking crisis in the early 1990s. It also treats general theoretical questions of the relation between the economy and society. The aim of the study is to give an account of interpretations of the banking crisis in public discourse, and of the societal attempts to steer the credit market by way of public opinion, political-administrative and legal means. The dissertation is divided into two parts, corresponding to the two aims.

The focus of the first part is on interpretive disagreements over crisis-definitions, causal explanations and policy-packages. The account is based on a computer-aided qualitative analysis of 342 editorials/articles published during 1990-1995, supplemented with secondary sources. The main conclusion is that five competing interpretive packages dominated the public debate. In the beginning the scope of the crisis and the critique against the banks were rejected in a *downgrading package* and a *defence package*, advocated by the authorities, experts and the banks. These packages were later replaced by a market-critical *fairness/moral package* and two variants of a market-advocating *efficiency/functional package*. Advocates of the former were actors from the political left, framing problems, causal explanations, and policy recommendations in resonance with traditional social democratic policy and radical political economy. Behind the latter stood the political centre-right politicians/editors, the banks, and economists, framing their interpretations in resonance with neoclassical economics and political neoliberalism.

The focus of the second part is on the reactions to the crisis among the public and the customers, and within the administrative, legal and political systems. The analysis is based on media documents, survey data, official reports and committee reports from the Swedish parliament. In conclusion, the reactions in the political system corresponded to the antagonisms of the debate, with the centre-right parties advocating a pro-market policy in conflict with a more interventionist stance from the radical left and green parties, and with the social democrats in the middle. The public reaction comprised a loss of confidence and an increase in consumer organisation, and the media representations of public opinion were articulated mainly through the market-critical stance with strong political and moral indignation due to a lack of adequate administrative and legal sanctions against the banks. The analysis also confirmed that the legal processes met with considerable difficulties, which gave rise to "legal-offensive" claims from politicians and authorities. These were met, however, by more "defensive" claims from the official commission investigating the legal framework of the credit market, advocating a system of enforced and supervised self-regulation. A central conclusion was that the conflicts concerned not only the political dimension left-right, but also the opposition between system-integrative functional perspectives and those representing claims based on the social-integrative principles of the "life world" (morals and solidarity).

Keywords: banking crisis, Sweden, sociology, public sphere, media, problem definitions, interpretive packages, steering, regulation, legal reactions, policy.