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A Structural Approach to Politicisation in the Euro Crisis

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Domestic opportunity structures and political actors' positions are widely regarded as the most important explanatory factors for EU politicisation. The Euro crisis, however, has revealed cleavages across rather than within countries, suggesting structural factors as a potential explanation for politicisation. Based on the political economy literature on Europe's Economic and Monetary Union, this contribution develops a structural approach to politicisation with respect to countries' power and variety of capitalism. Using a content and claims analysis of business papers in Germany, France, Austria and Ireland before and during the crisis, the findings reveal a differentiated pattern of politicisation. While an expansion of actors indicates that EMU became more politicised during the crisis, polarisation remained low within countries. Countries' variety of capitalism and their perceived power in the EU largely explain the substance and objects of politicisation. The findings encourage further research considering structural explanations for differentiated politicisation in less-elite centred settings of politicisation.

Keywords: politicisation, EMU, structural approach, varieties of capitalism, economic integration

After years of relatively little attention for Europe's Economic and Monetary Union (EMU) from the public (e.g. Boomgaarden *et al.* 2010; De Vreese *et al.* 2001), the euro crisis led to a sharp rise in attention to the EMU's implications and consequences. The crisis revealed new lines of conflict across the Eurozone between surplus and deficit countries and between small and large countries (e.g. Dinan 2012). Given the prominence of structuralist explanations of the political economy of the Eurozone in the literature (e.g. Hall 2014; Frieden 2002), this contribution assesses the explanatory power of structural factors for the *level*, *substance* and *objects* of politicisation in the elite public spheres of Germany, France, Austria and Ireland at the onset of the crisis. It investigates to what extent the impacts of the crisis, the national economic interests in the EMU's institutional design and countries' power within the Eurozone explain country-specific patterns in the politicisation of the EMU.

Using the selected countries' most important business newspapers, the paper analyses the most likely source for finding politicisation based on structural factors, such as countries' politico-economic systems. Studying business papers provides fresh insights into economic elites' perspective of the euro crisis and the structure of conflict depicted in this largely understudied setting of national public spheres. Although these newspapers are a least likely case for populist politicisation, the study shows that conservative and economically liberal newspapers observed the crisis from specific national perspectives.

This article's contribution to the literature is threefold. The present research adds a complementary perspective to the predominantly actor-centred literature on politicisation that frequently focuses on political parties as the drivers of politicisation (e.g. Hooghe and Marks 2009; Kriesi *et al.* 2008; Kriesi *et al.* 2012; Adam and Maier 2011). These approaches might overlook country-specific patterns of politicisation, which are especially important when the dominant lines of conflict do not run along party or ideological lines but are determined by national (economic) interests.

Second, this article analyses a crucial time period (January 2010–March 2011) for understanding the crisis resolution process in the Eurozone. This period saw many landmark decisions and measures, including the first Greek and the Irish bailout and the adoption of the European Semester. Political actors had to take a public stance on the EMU under the conditions of strong deadline pressure, dire national economic consequences and often little understanding of the extent and depth of the crisis, creating economic, social and discursive legacies which have shaped the entire crisis resolution process. The results are compared to the EMU coverage during a pre-crisis period (January–March 2007).

Third, country-specific patterns of politicisation based on national interests and power have repercussions for European democracy. A discourse that highlights the incompatibility of countries and EMU institutions undermines political solutions for the crisis on the European level and fosters centrifugal powers which isolate individual and groups of countries. This pattern invites framing European policy-making as a zero-sum game, encourages Eurosceptic campaigns and discourages national elites to openly express support for the European Union EU.

The Crisis as a Game Changer in the Politicisation of the EMU

In the literature, the birth of the EMU is portrayed as politically motivated, rather than based on economic reasoning (e.g. Dyson and Featherstone 1999; McNamara 1999). In addition to agreement on political desirability (McNamara 1999: xi), the EMU has been built on expert agreement that price stability should be the primary goal of monetary policy. However, divergence in other fields of macroeconomic policy, originating in the different varieties of capitalism (VoC) of the Eurozone countries (Hall 2014), have persisted (Dyson 1994; De Grauwe 2009). Consequently, a technocratic, asymmetric institutional design was adopted, making monetary policy supranational and assigning fiscal policy to intergovernmental

control and responsibility for economic policies to the national level, without a binding framework for coordination (Hodson and Maher 2002).

From the start, most economists pronounced this institutional framework flawed, and the need for further integration to make the EMU sustainable has been widely acknowledged (Enderlein and Verdun 2009: 500; Pisani-Ferry 2006). Additionally, a majority of European citizens have opposed (Hemerijck and Ferrera 2004; Bolukbasi 2009; Eichengreen 2007) the austerity bias and rigid fiscal rules built into the EMU's institutional design (Pierson 2001: 424). Consequently, pro-European political elites had little interest in further integrating and politicising the EMU during its first ten years.

The onset of the euro crisis changed the external circumstances of the politics of the depoliticisation of the EMU. Under strong time pressure, external economic necessities and duties towards partner countries outweighed parliamentary deliberation, intra-party democracy and dialog with social partners (Laffan 2014: 273; see also, Schimmelfennig 2014). The reaction to the crisis which consisted of more integration and severe spending cuts exposed the EMU's distributive logic to the public and established the Eurozone as a salient entity for comparison of economic performance,¹ providing a new basis for the politicisation of European economic governance (Statham and Trenz 2013: 163). This new basis is the point of departure for the present empirical analysis which focuses explicitly on the political struggle of bringing national politico-economic institutions into accordance with the EMU's macroeconomic framework.

Studying Country-specific Politicisation Patterns

Three distinct dimensions of politicisation are analysed in this paper: the *level*, *substance* and *objects* of politicisation. The *level* of politicisation is conceptualised in accordance with the introduction to this special issue, defining it as the process of mobilising mass public opinion

under the conditions of the *high salience* of EU issues, *polarisation of opinions* and a *expansion of actors and audiences* discussing EU affairs in the public sphere (De Wilde *et al.* 2016; De Wilde and Zürn 2012; Hutter and Grande 2014). Analogous to the concept of institutional misfit in Europeanisation literature (Börzel and Risse 2000), the *substance* dimension connects the salience of policy fields related to the EMU with the level of fit between a country's macroeconomic institutions and the EMU's institutional framework in order to understand the interest-based foundations of politicisation patterns. The *objects* of politicisation describe what is at stake in the politicisation process, implying different consequences for European democracy (cf. Mair 2007). While *policy* politicisation signifies normal political competition by alternative views on societal matters (Follesdal and Hix 2006), the politicisation of the *polity* can question the overall legitimacy of supranational decision-making, countries' membership in the currency union and the reform or complementary nature of the EU's institutional order. Politicising the *politics* of the EMU, finally, refers to the formal and informal processes through which decisions are reached and competition over leadership and high-ranking positions within the European bureaucracy occurs. Drawing on these distinctions, the theoretical framework formulates expectations concerning the systematic variation of the *level*, *substance* and *objects* of the politicisation of the EMU across countries.

The politicisation literature in comparative politics is mostly actor-centred and identifies opposition parties (Wonka 2016) and radical right parties (Kriesi *et al.* 2008; Kriesi *et al.* 2012) as the driving forces behind politicisation. A blame-shifting hypothesis frequently appears in the literature, characterising government actors' communication strategies concerning EU affairs (e.g. Zürn 2006). This hypothesis implies that governments feel compelled to refer more frequently to the E(M)U when confronting unpopular policy decisions or poor national economic performance but are incentivised to refer to their own

and their countries' performance in good times. Mosley (1984), moreover, finds that the media generally report more about the economy during crisis than prosperity. Applying these ideas to politicisation patterns, a *crisis impact hypothesis* can be formulated: the worse a national economy during the euro crisis, the higher the *salience* of politicisation in a country. This effect should be the stronger the higher the *polarisation* of the national party system and the stronger the opposition parties are. These three factors combined (salience, polarisation and actor plurality) account for the *level* of politicisation.

Beyond the immediate impact of the economic turmoil caused, the crisis revealed structural causes of the varying abilities of southern and northern European countries to thrive under the EMU (Hall 2014, see also Enderlein 2004). The creation of an independent European central bank (ECB) targeting the weighted Eurozone average disturbed countries' institutional complementarities to varying degrees (Franzese 2001). Hall (2014) argues that countries' economic growth strategies based on their respective VoCs largely explain economic performance under the EMU. Northern countries pursued export-led growth strategies, benefitting from the strong, stable external value of the euro (cf. Hall and Soskice 2001: 43) and their European trading partners' inability to devalue their currencies. Wage restraint also increased the northern countries' competitiveness and led to large macroeconomic imbalances within the Eurozone (Hall 2014: 1224). The southern countries, in contrast, financed their demand-led growth strategies through capital inflows from the north but lost shares in world markets for goods with low price pass-through due to the strong euro (cf. Frieden 2002: 839) and suffered from inflationary pressure due to high capital inflows (Hall 2014).

Exposing the full extent of the EMU's effects on countries with different growth models, the euro crisis has released two struggles: one over the burden sharing of the costs of the crisis and the second over the EMU's fundamental design. Northern countries have aimed

to shift the costs of the crisis to southern countries while defending or even reinforcing the status quo of the EMU. Southern countries have aimed to share the burden between the surplus and deficit countries and have worked to revise the EMU's institutions. Assuming that each country aims to continue a growth strategy in line with its domestic economic structure, I hypothesise that the *substance* of politicisation is driven by defence to the status quo in northern countries and by the quest for EMU reform in the southern countries (*economic interest hypothesis*).

Finally, countries' economic and political *power* have implications for their monetary regime preferences and their formal and informal weight in the European policy-making process. Economic power is an important determinant of a country's capacity to pursue an independent monetary policy, and small countries tend to favour fixed exchange rate regimes because of their benefits for international trade (Broz and Frieden 2001). A country's weight in majority decisions in the EU affects political power. Therefore, I hypothesise that politicisation in small countries lacking a credible exit option from the EMU focuses on EMU politics and policies as the *objects* of politicisation. Large countries, in contrast, can credibly question EMU polity and, more importantly, propose EMU reform; therefore, they focus on either the polity or policies, the latter in cases when they are content with the EMU's institutional framework (*power hypothesis*). In sum, the hypotheses anticipate systematic variation in the *level*, *substance* and *objects* of politicisation across countries depending on the impact of the crisis and countries' VoC and size.

Research Design

The testing of the hypotheses required variation in countries' VoC and political and economic power. Four countries were selected: Germany and Austria are coordinated market economies (CME) that follow an export-led growth strategy, while France and Ireland are

state-influenced (SME) and liberal market economies (LME), respectively (Schmidt 2009: 517; Hall and Soskice 2001: 43). Although Ireland is an atypical case of a demand-led growth strategy, the country, like southern European nations, lacks important institutional complementarities in its economic structure to ensure competitiveness under the EMU (Hall 2014: 1226). Countries' power was operationalised via their size: Germany and France are the two largest member states, while Austria and Ireland are small member states.

To test the *crisis impact hypothesis*, the contribution analyses the first 15 months of the euro crisis, starting in January 2010 when the Greek crisis entered European mainstream media and ending in March 2011 immediately before the Portuguese bailout. How did the economies in these four countries develop during this time? After the deep 2009 slump in all four countries after the Great Recession, Germany and Austria experienced quicker, stronger economic recovery in 2010 than France, which remained stagnant, and Ireland, which suffered from a severe banking crisis. The economic developments in the four countries, thus, indicate a downward trend in politicisation in Germany and Austria, stagnant development in France and an upward trend in Ireland. Table 1 provides an overview of the three structural factors and the expected values for the three dimensions of the observed politicisation patterns.

[TABLE 1 about here]

Data

Politicisation is measured through a content and claims analysis of one business paper from each country: *Handelsblatt* in Germany, *Les Echos* in France, *Wirtschaftsblatt* in Austria and the *Irish Independent*.² All four newspapers follow a pro-market, economically liberal editorial line, are important agenda setters for economic news in their countries and have a

clear focus on important stakeholders in the EMU: policy makers, economic experts, financial market actors and, to a lesser extent, social partners (cf. Jones 2009). The study concentrates on an elite setting of politicisation, which is a most likely case for finding elaborate articulations of economic interests and detailed accounts of crisis politics and a least likely case for finding populist politicisation.

To handle the extensive coverage of the crisis, articles were sampled on rotating weekdays (see, for example, Koopmans and Statham 2010). On sample days, all articles were included that mentioned the EMU or one of its policy fields (monetary, fiscal and economic policy) and had a European dimension (i.e. the EMU or its member states). These criteria ensured the inclusion of vertical links between nation states and the EU and horizontal links among nation states (cf. Koopmans and Pfetsch 2006: 120). For 100 articles per country,³ a claims analysis was conducted to provide detailed information on the actors and issues (Koopmans and Statham 1999). Table 2 presents an overview of the sample structure.

[TABLE 2 about here]

To compare the level of politicisation before and during the crisis, articles from a three-month period (January–March 2007) were coded using the same design for the same newspapers. Of the 202 articles acquired, claimants and their party affiliations were coded for all articles published in the politics and editorial sections.⁴

Among the three indicators measuring the *level* of politicisation, *salience* was operationalised as the extent to which the EMU is debated publicly, measured by the number and share of articles about the EMU published in the analysed newspapers (see also Hutter and Grande 2014). *Actor expansion* was operationalised using the actors coded in the claims analysis. Polarised debates were characterised by disagreement between political parties.

Polarisation thus became manifest as the diversity and strength of party actors making public claims, measured by the share of the claims by different party families within countries. The level of politicisation was then assessed relative to the previous period and to other countries.

The categories assessing the *substance* of politicisation were derived from the Treaty on the Functioning of the European Union (TFEU, Title VIII), Protocol (No. 12) on the Excessive Deficit Procedure and Protocol (No. 4) on the Statute of the European System of Central Banks and of the European Central Bank. New EU regulations and institutions which emerged as part of the crisis reaction were added to the coding scheme. The *substance* of debates was then subsumed under four issue fields: EMU polity, monetary, fiscal and economic policy.⁵ The claims data were contextualised by a systematic qualitative analysis of the content of the debates.

Finally, an *object* of politicisation was coded for each claim. All matters concerning the constitutional set-up of EMU, including composition, inter-institutional relations, and potential revisions and complements to the TFEU were coded as *polity*. Coded as *policy* were all matters discussed within the legal framework of the EMU, including compliance with the Stability and Growth Pact (SGP), national austerity measures, bailout conditions, stability-oriented monetary policy and national economic policy in the context of the monetary union. The politics dimension was coded if the focus of a claim or article was not the substance of a reform or policy proposal but the way the decision was or should be reached. Criticisms raised by smaller states of the announcement of the European Stability Mechanism by German Chancellor Angela Merkel and French President Nicolas Sarkozy at an informal bilateral summit in Deauville in October 2010 without prior consultation with other member states provide an instance of politics politicisation. Another example is the debate about the nationality of potential successors to ECB president Jean-Claude Trichet.

The Pattern of Politicisation in the Early Stages of the Crisis

The *crisis impact hypothesis* anticipates varying trends in the *level* of politicisation across countries over time. The EMU was *salient* across all four countries over the entire time period (Figure 1) but at different levels and with great volatility across countries. Concerning the impact of the crisis, the 2010 data do not show trends in any of the countries, indicating that the development of the national economy was not decisive at the level of the EMU and the euro crisis.⁶

[FIGURE 1 about here]

The first Greek bailout on 10 May 2010 triggered the highest level of salience in Germany, France and Austria. In Germany, the developments leading to the bailout provoked considerable attention. In Ireland, its own bailout generated more publicity than the Greek bailout. The low average share of articles about the EMU in Ireland before its bailout in November 2010 indicates that the crisis was regarded as largely domestic. Even after the Irish bailout, the increase in salience was not continuous, as the *crisis impact hypothesis* anticipates, but was clearly related to political events, such as the publication of the bailout conditions, their parliamentary approval in early December 2010 and the early elections in February 2011. Overall, political events on the national and the European levels largely drove the pattern of salience across countries.

Comparisons between the pre-crisis and crisis periods show that the crisis did not contribute uniformly to higher levels of salience but affected salience differently across countries (see Appendix A): while in Germany, the number of articles more than doubled during the crisis period compared to the same period in 2007, salience in Ireland decreased during the crisis as attention shifted to domestic challenges and responsibilities. France

experienced the most politicised debate on the EMU before the crisis in the political section of *Les Echos*, stronger than in Austria and Germany where pre-crisis coverage of the EMU was limited to financial market reporting. The economic impact of the crisis thus seems to have limited explanatory power for the pattern of the *salience* of the EMU during the crisis.

Did the crisis lead to the involvement of a greater *diversity of actors*? Compared to 2007, when financial market actors dominated debates about the EMU in Germany, Austria and Ireland, governments and executive actors were the most important claimants across all four countries in 2010 (Table 3). In France, this pattern was already prevalent in 2007. Debates became more horizontally Europeanised as government actors and experts from other Eurozone countries gained more attention in the four newspapers than before the crisis. The number of editorials mentioning the EMU significantly increased with the onset of the crisis, especially in Germany (Appendix A), indicating a high level of debate by the media and journalists (cf. Eilders *et al.* 2004 on editorials). Compared to the pre-crisis period, central banks lost relative visibility as executive actors and journalists gained a stronger voice in the EMU debates. Party actors across all countries accounted for only 6.8% in 2010. Compared to pre-crisis levels, however, they gained at least some voice in the small countries. Organised interest groups lost most of their visibility during the crisis. France is again the exception, where interest groups did not have any voice before the crisis. In sum, the crisis resulted in a shift from technical actors, including financial market actors and central bankers, to national and European executives, journalists and economic experts commenting on the crisis.

This shift, however, did not result in visible domestic *polarisation* in any country.

Government actors and actors without party affiliation accounted for 90.7% and 90.6% of claims in 2010 and 2007, respectively. The remaining 10% of claims were produced by members of the conservative and liberal party families before the crisis. During this crisis,

this 10% was distributed more equally. Overall, however, party actors' share was negligible, indicating that party-centred approaches to politicisation have limited explanatory power in business papers during both periods.

[TABLE 3 about here]

In summary, the combined results on the *level* of politicisation point to country-specific patterns, while the increase in the share of political actors and journalists indicates a politicisation of the EMU during the crisis across countries – albeit without domestic polarisation. In France, the EMU has never truly been depoliticised. During the crisis, salience increased the most in Germany and Austria and, to a lesser extent, in France while decreasing in Ireland. Although the crisis had an impact on politicisation, the *crisis impact hypothesis* fails to provide a satisfactory explanation for the level of politicisation at the onset of the euro crisis. Therefore, the remainder of the article tests structural explanations for systematic cross-country variation based on countries' *economic interests* and *power* within the EMU.

National Varieties of Capitalism and the Substance of Politicisation

The *economic interest hypothesis* holds that Germany and Austria focused on defence of the status quo of the EMU's overall institutional design, while France and Ireland pushed requests for reform. The analysis combines a quantitative assessment of actors' issue priorities (Table 4)⁷ and a systematic qualitative examination of demands and requests. It should be noted that journalists from all four countries frequently reported the same European actors to favour their countries' position by citing these persons in different circumstances or referring only to different parts of the same speeches.

[TABLE 4 about here]

Across countries, issue-specific salience changed considerably from the pre-crisis to the crisis period.⁸ While monetary policy reporting was most salient in business media in early 2007, fiscal policy and the EMU polity came into public focus with the onset of the Greek sovereign debt crisis. However, beyond this commonality, national debates about the EMU varied considerably in the four countries under study.

The German debate about the EMU polity was highly salient and characterised by a strong status quo bias among domestic executive actors who defended the EMU's original institutional design, which prohibits joint liabilities. The ECB's independence and its price stability goal—principles deeply rooted in the German elites' macroeconomic belief system—remained unquestioned the entire time. The ECB's unconventional measures during the crisis challenged these beliefs and led to a high level of opposition. Germany's efforts, primarily waged in editorial articles, to promote a German candidate as the next ECB president to secure its influence in the ECB and German conservatives' fear of being constantly outvoted in the ECB governing council imply that Germany's position in monetary policy was guided by the defence of the status quo and fierce opposition to changing the ECB's institutional design. The German government and politicians favoured ideas in line with its national VoC and broader German macroeconomic thinking, including strengthening the SGP and the technocratic nature of the EMU. These ideas went largely uncontested in the *Handelsblatt's* editorial section. Calls for more political discretion in this area provoked strong opposition. German elites blamed other countries for imprudent economic policies and lack of reforms of their economic systems to comply with EMU rules. In this context, a debate on national competitiveness and domestic responsibility to improve

it emerged. It was suggested that countries whose economies were too weak to comply with EMU would be better off exiting the currency union, resulting in a substantial share of claims by think tanks and guest editors about the composition of the polity. Overall, the German debate confirms the *economic interest hypothesis*.

In contrast, French economists and journalists advocated introducing joint liabilities and relaxing the EMU polity's rigid institutional design. With a relatively high level of politicisation of the ECB interest rate policy before the outbreak of the global financial crisis, French actors were not challenged by the ECB's unconventional measures. To the contrary, French actors often perceived these measures as too fainthearted and falling short of what was necessary. Generally, however, the ECB's crisis reaction fits French demands for a more active monetary policy. The French fiscal policy debate during the crisis focused on the country's struggle to comply with the SGP. French elites did not demand more regulation at the European level as expected but demanded that Germany adjust its economic and fiscal policies to allow other Eurozone countries to preserve their economic models. This argument stimulated considerable domestic debate between French journalists and economists on one side and the French government on the other side. While the former mostly advocated for the aforementioned reforms in Germany, Sarkozy constantly compared France with Germany and advocated for German-style economic reforms in France as part of his (unsuccessful) re-election campaign.

The Austrian debate on the EMU polity was unexpectedly strong. This debate, however, was mostly concerned with the timing of the Eastern European member states' accession to the Eurozone—in other words, the composition of the Eurozone, a topic already prevalent in early 2007. Support for the EMU's original design was also high. Austria's concern about inflation and its support for the ECB's independence fit its economic interests. Austria also shared Germany's focus on government finances and reform of the SGP, citing

mostly German executives and European actors. However, there was also a critical politicisation of austerity measures across countries promoted by journalists, union representatives and think tanks. The lack of debate of European economic governance and the complete absence of a critical discussion of domestic economic policy in the context of the currency union suggest a low level of politicisation in Austria. This finding might be interpreted to indicate that the country was content with the low level of coordination and did not feel greatly affected by European proposals.

While the first three countries' debates were largely in line with their expected economic interests, the Irish case does not. The Irish debate about the EMU polity was weak, driven by journalists and mostly favourable towards the EMU's original institutional design. Unlike Austrians, the Irish were strongly concerned about their own economic model and the resulting problems for the country in an integrated European economic area. Ireland's particular situation during the crisis shaped the country's monetary policy debate. While the ECB's unconventional measures were acknowledged to support the Irish banking system, the ECB's position in the bailout negotiations was perceived as an unduly punitive to the Irish people and a threat to Irish sovereignty. The ECB's independence remained unquestioned despite some politicisation of the euro's exchange rate with the British pound, which undermined Irish (agricultural) exports to the United Kingdom. Instead, the German economic recovery was feared to induce further tightening of monetary policy, which also served as an example of the EMU's destabilising effects on the Irish economy and the lack of synchronisation with other countries' economic cycles. The Irish effort to preserve sovereignty, however, was stronger than the expected beneficial effects of more European coordination, as also illustrated by executives' and journalists' defence of Ireland's low corporate tax rate. Overall, the crisis debate in Ireland was mostly pragmatic, focused on

coping with the European status quo and concerned with the country's sovereignty, subordinating questions of economic interest to this aim.

This section explored cross-country variation in the *substance* of debates. The German and Austrian debates were relatively similar and, like the French debate, largely in line with national economic interests. The Irish debate prioritised national sovereignty over economic interests, disconfirming the *economic interest hypothesis* but still displaying a distinct national politicisation pattern. The next section discusses the same debates with respect to the dominant *objects* of politicisation across the four countries.

Power and the Objects of Politicisation

The *power hypothesis* assumes that small countries focus more on the politics and policy dimension because their size, which limits their weight in majority decisions, increases their dependence on the European single market and denies them the credible counterfactual of an independent monetary policy. Large countries, in contrast, are assumed to focus on the policy decisions or the design of the EMU polity as such. Similar to the change in issue priorities from the pre-crisis to the crisis period, the dominant objects of debate shifted from a focus on policies to a strong emphasis on EMU politics and the future of the EMU polity across all countries. However, beyond this commonality, national debates about the EMU again varied strongly. The following country narratives are based on the quantitative results⁹ and the results of a systematic qualitative analysis of the respective articles.

In line with the literature on Germany's rise to become the most powerful actor during the euro crisis (e.g. Bulmer 2014; Bonatti and Fracasso 2013), the *objects* of politicisation in the debate reflected Germany's powerful but uneasy position in the crisis resolution process. In early 2010, the German debate about the EMU institutional design focused entirely on the polity without much consideration of the politics of reform. German

executives' and experts' level of self-confidence also transferred into the economic policy debate, in which policy prescriptions for other countries concerned German elites more than the politics of the EMU reform and negotiations. In contrast, journalists and guest commentators drove the German debate on monetary policy and focused it on policies and the politics dimension. Similarly, the emphasis on the politics of fiscal policy making resulted from a struggle over the austerity measures promoted by the German government. Despite Germany's successful agenda setting to frame the crisis as fiscal in nature, German actors perceived themselves as in a minority position, beset with demands from France and southern European countries for financial support and fiscal transfers. Germany felt itself to be in a tight corner in monetary and fiscal policy debates, despite its powerful position as the most important agenda setter.

While still regarded as less in the two small countries, the politics of institutional EMU reform were seen as more important in France than Germany. Despite the French elite's claim to leadership, the French debate about the EMU polity and economic policy was conducted from the perspective of a small country relative to Germany—the main country of reference in the French debate due to its strong economic recovery in 2010. The French monetary policy debate focused mostly on technical references to the exchange rate and demands for a more active monetary policy. Consequently, claims about the politics of monetary policy-making were less salient in France than Germany. French actors understood the crisis as resulting from speculative attacks by the financial markets, which should have been countered with joint liabilities. This frame made reforms of the SGP superfluous, and the fiscal policy debate focused mostly on national policies in France and Germany, reflecting the large country's view of the policy field.

Public debates in Austria and Ireland reflected the limited influence of small countries in European decisions and their economic and political dependence on developments in the

Eurozone. However, these two countries' debates differed significantly in their assumptions about their national politicians' efficacy in EU policy-making. The Austrian debate was held from an observer's perspective, resulting in criticism of French, European and especially German elites for a lack of leadership and problem-solving capacity. Journalists and national experts felt their country to be at the mercy of Berlin, Frankfurt and, to a lesser extent, Paris and Brussels. The Austrian government was assumed to have no influence on handling the crisis abroad and to have even less means to prevent potential domestic spill-over effects from the foreign crisis. The Irish debate, in contrast, expressed a much more active perspective on national politicians' responsibility to protect the country from external interference and to shape EU politics according to national interests, mainly against German and French demands concerning the EMU polity. The focus on monetary *policies* indicates these countries' agreement with the ECB's responsibility for policy decisions.

Overall, although the debates in the two small countries fit the assumptions of the *power hypothesis*, the monetary and fiscal policy debates in Germany and the French debate on the EMU polity and economic policy do not confirm the theoretical expectations. In the case of the German monetary policy debate, the findings can be explained by the limited explanatory power of the hypothesis for this policy field as the ECB has exclusive authority over monetary policy decisions, and each national central bank governor on the ECB's governing council has one vote. In the other cases, perceptions of occupying a minority position in the Eurozone seemed to be decisive in the effect of *power* on the politicisation patterns, rather than the power of countries derived from their size.

Conclusion

The article set out to explain politicisation patterns from a structural, cross-national perspective. The level of politicisation increased during the crisis but in an unexpected,

differentiated way: while the salience of the EMU across countries did not vary by domestic economy, a shift from the EMU coverage in the financial market sections to the political and editorial sections of Austrian and German newspapers occurred. More editorials were also published in Ireland and France; however, salience decreased in Ireland, while it increased from a high pre-crisis level in France. As well, executive actors replaced financial market actors as the most important actors in the debate during the crisis, indicating an intergovernmental politicisation of debates. Meanwhile, little support for publicly salient party ideological conflict within countries was found.

Further analyses of the *substance* and *objects* of politicisation also revealed considerable variation across countries. The debates in Germany, France and Austria largely followed the country patterns expected based on their *economic interests* and *perceived power* within the EU. The dominant factor that drove and shaped politicisation in Ireland was the preservation of sovereignty. The Irish debate concentrated on domestic factors that caused the crisis and undermined the sustainability of its membership under the EMU's original design. Overall, the analysis of the structural causes helps understand the fundamental differences in national perspectives on the crisis.

Although the empirical analysis is based on only one business paper from each country, the findings should encourage further research on politicisation and its consequences for the future of the European integration process, paying special attention to country-specific patterns rooted in national economic and political characteristics. Empirically, the effects of this country-specific framing of the causes and consequences of the crisis still shaped perceptions at the time of writing. The politicisation of the euro crisis as an intergovernmental conflict with zero-sum features (Hall 2014: 1235) has obscured the domestic factors in each country. This perspective has contributed to the crisis and deemphasised domestic leeway to deal with the causes of the crisis. The effects of the crisis

politics remain visible, especially in southern Europe, and European finance ministers continue to fight over the right balance between austerity and public investments. Introducing a moral dimension to the discussion of right and wrong national economic models early in the crisis undermined governments' later efforts to legitimise burden sharing across countries and effectively reform national and European macroeconomic frameworks to make the European economy more sustainable.

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Notes

1. This statement is supported by the content analysis of business papers. Throughout the crisis, comparative frames across Eurozone countries gained in importance in evaluating economic performance, justifying reforms and demanding political change.
2. The *Irish Independent* is not a business paper. Irish decision-makers mostly consult British and European sources for economic information. I used the *Irish Independent* because it shares similar ideological tendencies as the business papers in the other three countries and has the highest circulation figures among relevant readership (cf. <http://www.abc.org.uk/Products-Services/Product-Page/?tid=260>, accessed 11 December 2014).
3. At least one article published in the politics or the editorial section was included in the claims sample for each sampling day in each country. Within sampling days, a random sample of articles was drawn.
4. See Appendix A.
5. The codebook is available from the author upon request.
6. There is, however, a strong negative correlation between the development of national stock markets and business paper coverage of the EMU (significant at 0.001 level in Germany, France and Ireland and at the 0.01 level in Austria). Daily stock market data, however, react to short-term political events and are highly correlated across countries during the 2010/11-period. This measure seems to indicate the double relevance of political events to stock markets and newspaper coverage of the crisis.
7. For detailed results of issues coding, see Appendix B.
8. For the results of issue salience at the article level in 2007, see Appendix B.
9. For the objects of politicisation in 2010/11 and 2007, see Appendix C.

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TABLE 1
MECHANISMS AND THEIR EXPECTED IMPACT ON THE DIMENSIONS OF
POLITICISATION

	Impact	Level	VoC	Substance	Power	Objects
Germany	Recovery	Decreasing	CME	Status quo	High	Polity
France	Stagnation	Stagnant	LME/SME	Reform	High	Polity
Austria	Recovery	Decreasing	CME	Status quo	Low	Politics
Ireland	Deterioration	Increasing	LME/SME	Reform	Low	Politics

Notes: Impact refers to the economic development in the aftermath of the Great Recession. Policy-contestation is expected to a limited extent in all four countries and is thus not mentioned.

TABLE 2
STRUCTURE OF THE FULL SAMPLE AND THE CLAIMS SAMPLE (JANUARY 2010–
MARCH 2011)

	Country				Total
	Germany	France	Austria	Ireland	
Full sample	829	774	409	290	2,302
Per cent of all articles published in the newspaper	11.1	9.1	10.4	5.8	9.2
Claims sample	320	317	206	279	1,116

Notes: Estimated sum of articles published on sampling days over the entire time period: Germany: N = 7579; France: N = 8645; Austria: N = 4004; Ireland: N = 5092. Not included in the calculation are the sports and living and leisure sections from the Irish newspaper and the in-depth coverage of issues in the *Sonderbeilagen* section from the Austrian newspaper as other newspapers do not have these sections or published them irregularly. Letters to the editor were also not included.

TABLE 3
DISTRIBUTION OF CLAIMANTS ACROSS ACTOR CATEGORIES IN 2010 AND 2007

	Country (per cent)									
	Germany		France		Austria		Ireland		Total	
	2010	2007	2010	2007	2010	2007	2010	2007	2010	2007
Governments/executives	46.3	28.4	40.4	48.4	41.3	18.5	35.5	21.7	41.0	33.2
<i>European Commission</i>	12.2	9.5	7.9	10.5	10.2	11.1	9.2	15.0	9.9	11.3
<i>European Council*</i>	5.3	2.7	3.5	3.2	2.4	0.0	2.6	1.7	3.6	2.3
<i>International organisation</i>	1.9	0.0	4.1	2.1	3.9	0.0	4.0	0.0	3.4	0.8
<i>National executive</i>	26.9	16.2	24.9	31.6	24.8	7.4	19.8	5.0	24.2	18.4
Media and journalists	11.9	5.4	18.0	14.7	17.5	11.1	28.2	8.3	18.6	10.2
Financial market actors	12.8	28.4	8.2	12.6	8.3	22.2	16.8	30.0	11.6	22.3
Experts and think tanks	9.4	10.8	13.9	3.2	16.0	11.1	3.3	3.3	10.5	6.3
Central banks	7.5	10.8	9.5	6.3	2.4	22.2	8.1	18.3	7.3	12.1
Party actors	10.0	8.1	5.4	10.5	5.8	0.0	5.5	0.0	6.8	6.3
Interest groups	2.2	8.1	4.7	4.2	8.3	14.8	2.6	18.3	4.1	9.8
Total	100	100	100	100	100	100	100	100	100	100
N	320	74	317	95	206	27	273	60	1,116	256

Notes: The category of the European Council subsumes the Council of the European Union, the European Council and the Eurogroup. The category of national executives includes all government actors, most importantly, the heads of state and government and the finance ministers of the four countries studied.

TABLE 4

ACTOR–ISSUE RELATIONSHIP BY COUNTRY, 2010/11

	EMU	Monetary policy	Fiscal policy	Economic policy	Total
Germany					
Government/executives	54.3	17.7	53.2	41.5	46.3
Media and journalists	12.9	23.5	7.0	14.6	11.9
Financial market actors	12.9	15.7	13.3	7.3	12.8
Think tanks	10.0	7.8	6.3	22.0	9.4
Central banks	1.4	29.4	3.8	4.9	7.5
Party actors	8.6	5.9	13.9	2.4	10.0
Interest groups	0.0	0.0	2.5	7.3	2.2
Total	100	100	100	100	100
N	70	51	158	41	320
France					
Government/executives	31.2	17.9	50.0	48.0	40.4
Media and journalists	21.3	16.1	13.3	30.0	18.0
Financial market actors	0.0	19.6	9.3	2.0	8.2
Think tanks	34.4	5.4	12.0	4.0	13.9
Central banks	0.0	30.4	6.7	6.0	9.5
Party actors	8.2	3.6	5.3	4.0	5.4
Interest groups	4.9	7.2	3.3	6.0	4.7
Total	100	100	100	100	100
N	61	56	150	50	317
Austria					
Government/executives	34.9	4.6	51.5	50.0	34.9
Media and journalists	23.8	27.3	13.6	5.6	23.8
Financial market actors	0.0	36.4	6.8	11.1	0.0
Think tanks	19.1	18.2	14.6	16.7	19.1
Central banks	3.2	4.6	1.9	0.0	3.2
Party actors	9.5	0.0	5.8	0.0	9.5
Interest groups	9.5	9.1	5.8	16.7	9.5
Total	100	100	100	100	100
N	63	22	103	18	63
Ireland					
Government/executives	34.9	4.6	51.5	50.0	41.3
Media and journalists	46.5	14.8	26.0	27.8	28.2
Financial market actors	25.6	29.6	13.5	11.1	16.9
Think tanks	0.0	7.4	2.7	11.1	3.3
Central banks	2.3	29.6	6.0	11.1	8.1
Party actors	4.7	3.7	5.4	11.1	5.5
Interest groups	0.0	7.4	2.7	0.0	2.6
Total	100	100	100	100	100
N	43	27	185	18	273
Total	100	100	100	100	100
N	237	156	596	127	1,116

Figures:

FIGURE 1

DISTRIBUTION OF ARTICLES ACROSS COUNTRIES OVER TIME