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The Blame Game for the Financial Crisis (2007-2010):
A Sociological Theory of Fields of Accusation

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Abstract

This article introduces a sociological theory of blame games, focusing on the recent financial crisis in the United States (2007-2010). Many actors could be held responsible for the crisis. Such a situation is socially explosive, leading to an intense blame game, which finds its resolution when a main culprit is found. Blame games are not irrational outbursts of anger, but rather, structured and dynamic processes of boundary drawing. They are power games, mediated by public discourse, which lead to a reassertion of collective values. I develop my theory by studying three national newspapers (*The New York Times*, *The Wall Street Journal*, and *USA Today*) from August 2007 to June 2010. I present a statistical, network and content analysis of the 5,712 blaming incidences identified. I show how when the financial system exploded, blame moved in many directions, but mostly focused on the political sphere. Through public speeches, congressional hearings, and public investigations, the political sphere managed to refocus the attention on Wall Street. A blame game dominated by Democrats led to the crystallization of Wall Street's culpability. Such crystallization could not be predicted ex-ante.

Keywords

Blame games, Responsibility, Financial crisis, Disasters, Unsettled times.

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Max Weber Fellow, 2015-2016

Introduction

This article describes the blame game for the financial crisis in the United States (2007-2010), analyzing its evolution and its key drivers. The crisis appears as a cancer that expanded and metastasized. It started when the subprime mortgage market began to display an increasing rate of mortgage defaults in late 2006, which led to a decline in housing prices after nearly a decade of exceptionally high growth. These defaults caused a collapse in the value of mortgage related investments, allowing these problems to spread from the mortgage market to financial markets. On September 15th 2008, Lehman Brothers, one of the world's largest investment banks, declared bankruptcy. The government seized the nation's largest insurance company and largest savings and loan bank.

The \$700 billion bailout plan, passed by Congress in October 2008, and actions by the Federal Reserve to bolster the economy prevented a full-scale meltdown. By mid-2009, it appeared that a financial meltdown had been avoided. By the year's end, many big banks were reporting large profits and were in the process of returning their bailout money to the federal government. But many businesses, especially small ones, reported that credit was still tight. Moreover only a fraction of those homeowners the Obama administration had hoped to help had reached agreements with their banks. Unemployment rose to its highest point in more than 15 years. The discrepancy between Wall Street's fast recovery and Main Street's slow recovery generated anger over the crisis, the banks, the bailout and new rounds of large bonuses.

Anger over the crisis triggered a burning question: who is responsible for this disaster? Many actors could be deemed responsible, in a seemingly never-ending causal chain. It would include the individuals who took massive mortgages that they could not afford, the mortgage brokers and lenders who sold them defective or overpriced loans, the investment banks who packaged and distributed them without properly assessing their risk, the credit rating agencies who certified they were safe, the regulators who kept the money flowing – among many others. This can explain why Phil Angelides, the head of the Financial Crisis Inquiry Commission, in charge of investigating the causes of the crisis, said: “Maybe this is like the *Murder on the Orient Express*: everyone did it.”¹

I argue that a situation where everybody is potentially responsible is socially explosive. It paves the way for an intense *blame game*, which I define as a dynamic process of accusations and counter-accusations. Such contention finds its resolution when the main culprit is found (Girard [1972] 1977) – in this case, Wall Street. A blame game is a mechanism to reestablish a disrupted social order. Processes of blaming and punishing allow members of a society to express indignation at acts that offend the collective conscience, thereby affirming collective values and fostering social cohesion (Durkheim [1893] 1964). In a blame game, actors are trying to shift the symbolic boundaries between “worthy us” and “unworthy them” (Douglas 2003, Lamont 2009, Tilly 2008). Altogether these accusation dynamics form what I call a *field of accusation*: a public sphere where actors compete to assign responsibility for a disaster in a game of accusations and counter-accusations.

This study analyzes how a blame game participated in the crystallization of Wall Street's responsibility. This crystallization might seem unsurprising years later. It was not fully predictable. After all, the Great Depression is greatly associated with President Hoover. One could reasonably have expected a focus on the Bush administration, in power until January 2009. One could also have expected a crystallization on regulators. I show that regulators were the main culprits till the final resolution. As Hay (2010) argues speaking of the British case, “blaming the bankers may be cathartic, but it actually serves to displace responsibility from those whose policy choices brought us where we are.” Hay (1996) shows that crises narratives are constructed. I would then add that the important question is: by whom, and how? I expose how powerful actors could orient the blame towards Wall Street. In the fall of 2008, the financial meltdown opened a deep period of soul searching. Blame

¹ Source: “Voices That Dominate Wall Street Take a Meeker Tone on Capitol Hill”, *The New York Times*, January 14th 2010

moved in many directions. The political sphere (and Democrats in particular) directed public anger through public speeches and events.

To develop my theory, I conducted a media analysis. I manually built a data set of 5,712 blaming incidences, drawn from three national newspapers from August 2007 to June 2010. The rationale for focusing on the media is two-fold. The media shapes and is shaped by collective processes of sense making. It adequately reveals the evolution of the public discourse. As Gamson and Modigliani (1989:2) put it “media discourse is part of the process by which individuals construct meaning, and public opinion is part of the process by which journalists (...) develop and crystallize meaning in public discourse.” In the “master forum” of the media (Ferree 2002), actors present competing narratives for the crisis and its perpetrators, thus actively participating in ongoing processes of sense making. The media is not only a forum for public opinion. It is also a key motor of social change. Actors (re)define moral and immoral behavior through their public blame games. Erikson (1966:12) noted that the media had replaced the carnival atmosphere of the Tyburn, where wrongdoers were exposed in the town square. The end of these practices coincides with the development of newspapers as mass media. In these new public scaffolds, the line between morality and immorality is drawn.

My goal is to build a theory of blame games, and of their effect on the social order. Blame figures prominently in many sociological studies, as I will detail later. To my knowledge, no sociological study has tried to capture blame game dynamics. Synthesizing theories of framing and blame, I argue that blame games are not irrational outbursts of anger (Bucher 1957), but structured and dynamic processes of boundary drawing. Blame games are power games, mediated by public discourse, which lead to the reevaluation and reassertion of collective values. My goal is also to produce a deeper understanding of the financial crisis. Very few studies have endeavored to capture blame incidences in the crisis in-depth. And they have generally been conducted in Europe, by political scientists, using surveys (Bennett and Kottasz 2012, Hellwig and Coffey 2011, Hobolt and Tilley 2014, Tourish and Hargie 2012, Wagner 2014).

Most current research has focused on the roots of the crisis (Beunza and Stark 2012, Carruthers 2013, Davis 2009, Fligstein and Goldstein 2015, Krippner 2011, Mizruchi 2013, Polillo 2013, Rugh and Massey 2010, Tomaskovic-Devey and Lin 2011) or on its consequences (Brooks and Manza 2013, Grusky, Western and Wimer 2011, Lounsbury and Hirsch 2010). The three notable exceptions in sociology are Treas (2010) who refutes the “blaming the victim” ideology; Perrow (2011) who recuses the “normal accident” or neo-institutionalist accounts for the crisis; and von Scheve, Zink and Ismer (2014) who study the connection between frames of responsibility and logics of action. This is all the more surprising as processes of sense making and responsibility assignment indirectly inform the regulation of the banking system. The strictest set of banking regulations was produced in the 1930s, when the Pecora commission illuminated the role of major banks in the 1929 crisis.

Risk, blame, and power games

Unsettled times and sense making

The financial crisis undoubtedly falls into the category of what Swidler (1986) calls “unsettled times.” Unlike settled times, characterized by consensual, taken-for-granted repertoires for action, in “unsettled times” different sets of cultural assumptions are in competition. An unanticipated event leads to a burst of public anxiety. It threatens the pre-established social order. However the actual process through which social transformation is produced during unsettled times remains to be better understood (Bail 2012). How does a society fall into unsettled times, and reach a new equilibrium? I show how blame games are key to understanding the unsettling and resettling of a social order. Largely unanticipated events, such as the financial meltdown, lead to a deep turmoil. But by drawing boundaries between “worthy us” and “unworthy them,” powerful actors can define deviance in such a way as to maintain their power (Abolafia and Kilduff 1988, Erikson 1966).

Unsettled times pave the way for a competition between distinct and stable frames grounded in political ideologies. Swidler (1986) argues that actors rely on preexisting ideologies in a context of radical uncertainty. She defines ideologies as “highly articulated, self-conscious belief and ritual systems” (1986:279). Unsettled times can also lead to an explosion of blame. Abolafia and Kilduff (1988) show that in mania phases blame is latent, and in distress phases blame explodes. This phase of distress calls for a strong intervention of agents of social control, who can reestablish consensual strategies of action. I then posit that the overall matrix of blame (who blames who) might be both more populated and more stable from September 2008 on. By stable, I mean matrices that are highly correlated from one month to the other. It is time to punch, to punch hard, and to punch consistently – until a main culprit is found.

A competing hypothesis could be drawn. This crisis stands out by its magnitude and complexity. The financial meltdown could lead to what Weick (1993) calls a “cosmology episode”. The understanding of the events and the means to rebuild that understanding falter together. In September 2008, few people know what a derivative is, how it was used and by whom. Few people know what happened inside each institution – and nobody can link all the facts together yet. The economic system is composed of an intricate web of deeply interconnected and opaque organizations. Making sense of a complex disaster takes time. An offense must be named before blame and claims can be formulated (Felstiner, Abel and Sarat 1980). I could observe a low level of intensity, and low level of consistency of blame from September 2008 on. Blaming incidences could be chaotic, until powerful actors reestablish consensus.

Two competing hypotheses can be drawn from the literature: either an upsurge in intensity and stability of blame as the system explodes, or the exact opposite pattern. In either case, the crisis could be decomposed in three phases: unawareness, distress, and settlement. The settlement will happen through a blame game led by powerful actors. The challenge is then to understand who these actors are, and how they can impose a dominant frame.

Risk and blame

The research on frames illuminates the “resonance” of frames within a political and historical context (Benford and Snow 2000, Snow and Benford 1988) but tends to disconnect frames from the actors that produce them (Bail 2012, Benford 1997, Ferree 2003, Steensland 2008). I reconnect frames to actors engaged in uneven power games. These power games contribute to the resonance of frames with a wider context. A plethora of literature (in political science notably) shows that the political sphere dominates these power games.

The political sphere has the capacity to set the news agenda (for a review see (Berkowitz 1992, 2009)), which in turn will profoundly shape public opinion (McCombs and Shaw 1972, 1993). (Gans 1979:119) describes the relationship between sources and journalists as a dance, with the sources generally being the leader. The power of the State to shape public discourse is increased by major disruptions (Fligstein and McAdam 2012:99-108). They give political elites an even greater influence in establishing frames, which will then guide journalists and audience thinking (Entman 2004). The ruling government is the most powerful (Entman 2003, Gans 1979:116-45). Logically the November 2008 presidential election could shift the balance of power towards Democrats. In the absence of political elite opposition, the White House frame could be widely echoed in the media. Open disagreement among the political elites determines whether the media diverges from the ruling government line (Bennett 1990).

This predominance could orient the blame in two directions. Elected officials have an interest in blaming their political opponents. Democrats could strongly blame the Bush administration, first to get elected, and then to justify difficult decisions (Weaver 1986). Bush could then face the same destiny as Hoover. This expectation is reasonable owing to the history of the Great Depression, and to the economic voting literature. The latter shows that the incumbent is generally blamed for economic downturns, and punished during elections (Powell and Whitten 1993, for a recent example see Hernández and Kriesi 2015). Elected officials also have an interest in blaming their targets of change. These targets could be related to market forces for Democrats and to State intervention in the economy

for Republicans. Democrats could also intensify their accusations against Wall Street as they are trying to impose regulations.

This literature presents two shortcomings though. First, it undermines the capacity of other elites to shape the public discourse. Less is known on business sources' influence in the media. Financial actors were cited most often in the 1987 crash news reports (Lasorsa and Reese 1990), though their expertise was used to explain the crash rather than to assign blame. I cannot exclude that their expertise might give them authority in the debate. Second, this literature tends to present non-elites, and to some extent journalists, as mere recipients of dominant frames (Entman 2003, Strömbäck and Nord 2006). They are not given the full agency to choose or even influence dominant frames. These two shortcomings are problematic. A blame game is a dynamic relationship between accuser, accused, and audiences. Three conditions define the success of an accusation: the accuser has force and authority, the accused is unable to counter-attack, and the audience actively echoes it. The roles of accuser, accused, and audience depend on specific blaming instances. The audience role mostly belongs to journalists. They make sense of the public discourse.

These observations lead me to adopt a different approach to the study of responsibility for national disasters. First, I link accusatory frames to the actors that produce them, and replace these actors in uneven power structures. Second, I hypothesize that the political sphere (Democrats in particular) will orient the blame game. I capture the whole ecology of accusatory frames to validate this hypothesis. I systematically include all discourses of accusation, be they dominant or dominated. I expose the dynamics of a blame game, and its effect on dominant accusatory frames. The question is then to understand how politicians can impose a dominant accusatory frame.

Blame game strategies

Politicians can shape what, how, and when events are discussed in the public discourse. However, a constellation of actors tries and orients the blame in the public discourse. Actors' structural position can explain their resources and logics of action. Actors deploy different strategies and alliances to dominate the blame game.

First, politicians can set the agenda, namely what is being discussed. This capacity is both positive and negative. They can direct the attention towards some issues, and divert it from others. This selective focus can affect how audiences evaluate responsibility (Iyengar, Peters and Kinder 1982). Politicians set the agenda through speeches, hearings, and reports, which can represent half of news stories (Brown et al. 1987, Sigal 1973). This point is important: it is not only what politicians *say*, but also what they *do* that has an impact on the conversation. Politicians are event-promoters (Molotch and Lester 1974). This implies that actors can play the blame game directly through voice, and indirectly through action. I will capture both. I hypothesize that peaks of blame will correspond to events initiated by the political sphere.

Second, politicians can shape the framing of the conversation, namely how events are discussed (McCombs and Shaw 1993:62). While this interpretive capacity ultimately belongs to journalists, politicians are likely to have a major influence. It is important here to understand what is at stake. Accusatory frames rely on an active construction of both causality and moral wrongfulness. Moral cues might matter even more than causality in a context of high uncertainty (see Tversky and Kahneman 1973). Bankers' greed might be easier to evaluate than their abuse of derivatives, and easier to ground in preexisting "fat cats" rhetoric. A frame must be grounded in words and images that are noticeable, understandable, memorable, and emotionally charged to resonate (Entman 2003). This rhetoric can have a very strong impact. The literature on disasters shows that an actor gets blamed if s/he adopts a self-serving behavior after a disaster (Bucher 1957, Drabek and Quarantelli 1967, Form and Nosow 1958). But contrary to this literature, I argue that self-serving behaviors are themselves constructed. Actors can use others' mistakes to win the blame game. Politicians can activate scandals. I hypothesize that scandals will have a major effect in orienting blame.

Third, politicians can influence the timing of the public conversation. Arguably, the timing politicians choose to use speeches, hearings and reports matters. As (Entman 2004) suggested, initial frames will tend to discard disconfirming information in the future. Acting first, and acting efficiently,

matters in a blame game. I will therefore pay particular attention to the months following the September 2008 panic. Politicians could then deploy their full leading power in their dance with journalists. Power here rests on the material, institutional, rhetoric and status resources that actors can deploy to orient the public discourse. It is politicians' role and interest to play the blame game visibly. Their reputation is crucial, since they need to get elected. While business actors might not be heard much in the media, they can influence the debate through lobbying. They do not have the institutional, rhetoric and status resources politicians have. Their different resources, role and interest explain their logic of action. The blame game is also played invisibly. I hypothesize that business actors will intensify their lobbying effort over time.

To summarize, my goal is to build a theory of blame games, and their effect on the social order. The cornerstone of my theory is that politicians can push a dominant frame assigning responsibility in such a way as to maintain their power, and re-establish the social order. I draw several hypotheses from all the research detailed above. First, I hypothesize that the financial meltdown will lead to an explosion of the blame game, which will radicalize along political affiliations. The meltdown could be associated with dense and stable matrices of blame. I cannot exclude that the meltdown will lead to a "cosmology episode," associated with sparse and unstable matrices of blame. In either case, I expect to observe at least three stages: unawareness, distress, and settlement.

Second, I posit that the November 2008 election will help Democrats impose their narrative. Their narrative might focus on their political opponents and targets of change. Their narrative could find a wide echo if they do not face a strong opposition from Republicans. Third, I hypothesize that peaks of blame could correspond to events that the political sphere initiated, such as public debates, congressional hearings, but also scandals. These events could help point to the past (and present) failures of the groups targeted, and notably business actors. Fourth, I hypothesize that business actors will respond by intensifying their lobbying efforts. These power games can help explain the dynamic construction of culpability and non-culpability as the crisis unfolds.

Research design

To capture blaming incidences, I analyzed three national newspapers from August 2007 to June 2010. The newspapers that I selected are *The Wall Street Journal*, *The New York Times*, and *USA Today*. The rationale behind this selection is threefold. First, they are the three main national newspapers in terms of circulation in the United States. Second, the three newspapers cover the social spectrum from elite to mass/popular. Third, the three newspapers cover the political spectrum: from the liberal *New York Times*, to the centrist *USA Today*, to the conservative *Wall Street Journal* (Gentzkow and Shapiro 2010, Groseclose and Milyo 2005).² Since I am interested in long term processes of sense making, I start my analysis when the first warning signs of the crisis emerged. The first striking event that signals the beginning of troubles in the financial markets happens on July 31st 2007, when Bear Stearns decides to liquidate two internal hedge funds that invested heavily in mortgage-backed securities. I end my analysis in June 2010, two months after the S.E.C. announced it was suing Goldman Sachs for fraud. The choice of the end date was determined empirically. As the analysis will show, the event helps find a temporary closure in the crisis narrative.

I used Lexisnexis and Factiva to perform queries on all articles that appeared in these three newspapers in the years of study. The aim was to select articles that contained at least one blaming instance related to the crisis. To this end, I used a set of search terms related to the crisis and to causality / blame that resulted in a population of 2,096 articles. In the 2,096 articles I detected a total of 5,712 blaming incidences, which averages to 2.76 blaming incidences per article. I identified 2,595 blaming incidences in *The New York Times*, 2,252 in *The Wall Street Journal* and 865 in *USA Today*. These articles were then coded and blaming incidences were identified. The identification of a

² Actually Groseclose and Milyo' study (2005) found that the Wall Street Journal was liberal. They attribute it to the fact that they did not include editorials, and cite evidence of the separation between liberal news pages and conservative editorials. I included the editorials, and letters to the editor, so I still maintain it as conservative.

blaming pattern required the presence of 1) an actor, 2) a causal link, and 3) negative consequences related to the crisis. An example of a sentence containing a blaming instance would be the following: “Sen. Richard Shelby, R-Ala. [Actor] (...) said the Fed [Actor] ‘kept interest rates too low for too long [Causal link], encouraging a housing bubble and excessive risk taking [Negative consequences]’.” (*USA Today*, 12/2009). In this case, Shelby explicitly relates the crisis to the Fed’s actions. As a general rule the coding excluded attributions that targeted either mechanisms (“derivatives”, “securitization”) or abstract entities (“capitalism”, “American culture”). Details and other examples of coding can be found in the appendix.

The wide diversity of sources and targets of blame were then regrouped in seven master categories and 30 sub-categories. The categories represent the field, which the actors belong to. Table 1 shows how I built the categories. My approach to the study of blame differs from the approach taken by political scientists, who mostly rely on surveys, and psychologists, who mostly rely on one-shot lab experiment. My method captures a whole ecology of discourses, and their dynamic interplay. My method can also grasp any subtle difference in attribution logics. A Democrat congressman and a Democrat President might attribute responsibility differently, even though they belong to the same party. I posit that an actor’s structural position determines the salience of targets of blame, in a move that is both strategic and cognitive.

Table 1 about here

The first category, Government, represents all the actors of the political sphere, at a local and national level. Sometimes the political sphere as a whole is targeted, which led me to create the sub-category “Washington.” The sub-category “other (Government)” represents an aggregate of think tanks, of States or cities, and of independent politicians, such as Bernie Sanders. The second category, finance, is an aggregation of all the actors of the financial sphere, including credit rating agencies. Again, sometimes the financial sphere as a whole is targeted, which led me to create the sub-category “Wall Street.” The subcategory “other (finance)” represents a miscellaneous aggregate of financial consulting firms, auditing firms, and financial analysts.

The third category, intellectuals, regroups journalists and academics, as well as independent book writers and filmmakers. The fourth category, housing, represents all the actors of the mortgage lending industry, including non-bank lenders, brokers, appraisers, home developers. The fifth category represents the borrowers and consumer advocates, who speak in their name. The last category is the general public composed of anonymous letter writers, opinion polls, or unattributed incidences of blame (“Wall Street has been abundantly blamed for the crisis” could be example of the later). Finally, a last category named “other” represents a miscellaneous aggregate of politicians from other nations, the business world, unions and fuzzy abstraction such as “the business elite.”

I had to make some coding decisions regarding some actors whose category could be ambivalent. Some actors, such as banks, are sometimes targeted both as lenders and as securitizers. The rationale for accusing them is not always mentioned. I chose to include them in the financial sphere, as they are portrayed more as financial institutions. As a general rule, I kept actors in the category, which defines why they are being blamed. For instance former regulators such as Greenspan were maintained in this category, although Greenspan became an economic consultant after he left the Fed in 2006. Former members of the Bush administration such as Hank Paulson were similarly maintained in this category, although Paulson became a visiting fellow and research associate at various American universities after January 2009.

Three actors change categories over time, because they joined the Obama Administration in January 2009, and are targeted in its name: Timothy Geithner (initially, Government / Regulators); Hillary Clinton (initially, Government / Democrats); and Larry Summers (initially, Intellectuals / Academia). These changes do not affect the result, as the three of them almost stop blaming after they join the Obama administration. One exception to this rule is Obama and his administration. Owing to the prominent role he assumes, I chose to maintain him in a separate category from the outset.

Results

My ambition is to understand blame games and their effect on the social order. There are two parts to my analysis. I analyze what happened and how it happened. I first expose the progressive crystallization of blame on Wall Street. I then relate it to the Democrats' landslide win in November 2008, to the bonus controversy of the winter of 2008, and to actors' uneven capacity to shape the public discourse.

Naming the crisis, naming the witch

Four time periods: unawareness, turmoil, stabilization, settlement

I start the analysis by decomposing the crisis into four temporal periods: the pre-blame game (until August 2008), the heat of the blame game (September 2008 – March 2009), the stabilization era (April 2009 – March 2010), the temporary settlement from April 2010 on. The decomposition is based on extensive content analysis, and on the quantitative analyses presented below. I illustrate the framing of each period with a quote from either journalists or letter writers. Journalists make sense of public discourse, both directly in their articles, and indirectly in their choice of letters to publish. I also track the intertwined definitions of the crisis and of responsibilities. I decomposed each era's targets of blame (Figure 1), and dominant definition of the crisis (Table 2). I systematically retrieved the word immediately preceding the word "crisis" in my corpus of articles. Table 2 shows the difference in probability between its occurrence in each time period and in the whole corpus (for the top 10 words per period).³

Figure 1 and Table 2 about here

In period 1, the crisis is defined as a mortgage crisis. Table 2 exposes that the lexicon related to mortgage, housing, or foreclosures predominates. It explains that blame is spread between the political sphere (29%), the housing industry (26%), the financial industry (37%), and borrowers (7%) (Figure 1). These actors are all present in this quote from *The New York Times* from December 2007: "By some estimates, up to five million Americans might lose their homes through foreclosures, unable to pay off loans in what is known as the subprime mortgage crisis. There was plenty of blame to go around for the disaster: predatory activities by lenders, wishful thinking by borrowers, lack of due diligence by banks and inadequate oversight by the government."⁴ The use of the expression "what is known as the subprime mortgage crisis" shows that the crisis has not been fully recognized as such yet. The magnitude of the crisis is also widely underestimated: not five, but thirteen million Americans were threatened by foreclosures by 2010 (The Financial Crisis Inquiry Commission Report, 2011:23). A general unawareness of the extent of the catastrophe prevails.

The explosion of the financial system in September 2008 redefines the crisis as a financial crisis. Table 2 shows that the lexicon related to finance, banking, credit, or to the economy predominates in period 2. The crisis also does not really need to be defined any longer. The words "the", "this", "current" expose this tacit understanding of the major crisis at stake. A crisis understood as minor is redefined as major, leading to the emergence of unsettled times. Anxiety over the event leads to frenzied searches for guilt. Blame is both widely diluted and concentrated in the financial and political spheres, as this quote from *USA Today* from December 2008 shows: "Responsibility for the financial meltdown is so widespread that there's plenty of culpability to go around. But as a holiday season service, I offer these suggestions of those most deserving of coal in their stockings [followed

³ The measure is imperfect, because there are other ways of naming the crisis ("great recession", "financial meltdown", "economic debacle", to name a few). However it captures well the reframing of the crisis from a minor mortgage debacle to a major financial meltdown.

⁴ Source: "Disasters, Natural And Not," *The New York Times*, December 31st 2007

by a long list of potential culprits, in this order and in these terms: 1/ Investment banks, 2/ Alan Greenspan, 3/ Rating agencies, 4/ Predatory lenders, 5/ Clueless borrowers, 6/ Congress, 7/ George W. Bush, 8/ Bill Clinton, 9/ Regulators].”⁵ This type of article, which tries to cast a wide net of blame, is typical of this time period. Blame is both wide-spread, and concentrated in the financial and political spheres (39% and 46% respectively in Figure 1).

The third period opens a period of stabilization. It is time for calmer reflections on the causes of the crisis. Attention is focused on the connection between regulatory failures and excesses in the financial industry, as this quote from *The New York Times* letters from October 2009 illustrates: “The economic debacle on Wall Street was fueled by an intellectually and morally bankrupt administration that (as once and future partners of those involved in the chase for unlimited bounty) allowed lack of regulation and lax enforcement to create an environment where unchecked greed was not only made possible but was also encouraged.”⁶ The framing of the crisis as an economic debacle on Wall Street draws the attention to the connection between Wall Street and Washington, which are defined as “once and future partners.” Figure 1 shows that blame is split between the financial and political spheres (44% and 40% respectively). Washington is responsible for having created an environment propitious to excessive risk-taking. It is arduous to disentangle the responsibility of each actor. This third period is characterized by calls for accountability, and calls for prosecution of the parties responsible for the crisis.

The calls for prosecution find an echo in April 2010, when the S.E.C. sues Goldman Sachs for fraud. The S.E.C. accuses Goldman Sachs of having failed to disclose vital information to investors in one of its “Abacus” mortgage-backed CDOs in 2007. Most people do not remember this event. There is a clear disproportion between its importance – one lawsuit among many others – and its echo in the media. However, as I will explain throughout this article, the lawsuit proves crucial in the reaching of a temporary settlement. The financial sphere receives 64% of the blame – way ahead of the political sphere (Figure 1). The change is quantitative and qualitative. The characterization of Wall Street’s behavior moves from merely immoral to illegal. The ever-wider share of blame attributed to the financial sphere from period 2 to 4 is reflected in the increasing definition of the crisis as a financial crisis. Table 2 shows that the difference in probability for the word “finance” soars from period 2 (0.33) to period 4 (0.5).

A quote from *The Wall Street Journal*’s letters exemplifies how the crisis is attached to Wall Street’s behavior: “Wall Street has become a popular target in Washington, and why not? From Main Street’s perspective, Wall Street caused the worst financial crisis since the Great Depression. From Main Street’s view, our economy was doing just fine until those rich bankers’ credit default swaps and mortgage-backed securities caused the near collapse of my financial system.”⁷ The letter writer notes the symbolic gap between Main Street and Wall Street, which is unfairly reinforced by Washington. The appearance of the words “recent” or “next” in Table 2 confirms that the symbolic outcasting of Wall Street opens the path for a settlement. The worst recession in the last 80 years, second only to the Great Depression, is now recent History. Commentators are already considering the next potential crisis.

Overall I observe a classic stage model of sense making. The initial period of unawareness is followed by periods of turmoil, stabilization, and settlement. The crisis moves from being defined as a minor mortgage crisis to a major financial crisis, which causes the worst recession in the last 80 years. This redefinition of the crisis echoes the ever-wider share of blame taken by the financial sphere. Figure 1 shows that the increasing culpability of Wall Street goes along with the decreasing culpability of other actors: the housing industry and borrowers after period 1, and the political sphere after period 3. The identification of a main culprit results from a process of culpabilization and de-culpabilization.

⁵ Source: “Who’s to Blame for Economy?,” *USA Today*, December 17th 2008

⁶ Letters to the Editor, *The New York Times*, October 19th 2009

⁷ Letters to the Editor, *The Wall Street Journal*, May 27th 2010

Blame and Uncertainty

I conducted additional analyses to confirm this temporal decomposition, and to test several hypotheses related to blame dynamics in unsettled times. I hypothesized that unsettled times should be associated with dense and stable matrices of blame.

To assess stability, I measured the correlations between monthly matrices of raw blaming counts using the Quadratic Assignment Procedure (QAP) (Figure 2). The matrices connected sources and targets of blame at the level of the 30 sub-categories (see Table 1). QAP calculates the association between the relations represented in two matrices, and then uses quadratic assignment procedures to compute the standard errors. I use the resulting matrix to formally detect (temporal) clusters of similar blaming incidences.⁸ Figure 2 shows that until the financial system explodes in September 2008, the correlation between matrices is low, with a mean at 0.38. From September 2008 to March 2010 matrices become more highly correlated, the mean coefficient reaching 0.48 in period 2, and 0.47 in period 3. It means that overall actors blame more consistently. From April 2010 on, we see another shift. Network structures for the three last months are highly correlated with each other (with a 0.64 mean coefficient), but lowly correlated with the rest of the period. A new era of blame is starting. The analysis confirms that unsettled times begin in September 2008. It also confirms the importance played by the S.E.C. lawsuit.

Figure 2 about here

It might seem counter-intuitive that blaming patterns would be *more* correlated during unsettled times. One might expect them to be more chaotic. This expectation relates to another measure. The *scope* of blame is broader during periods of turmoil. Figure 3 exposes the cumulative share of blame of the top 20 targets, and corresponding Theil index of each period. As a representation in terms of cumulative proportions per quantiles is widely used in social inequality research, I also computed the Theil index for each time period. The Theil index measures the inequality within and between differently defined population subgroups. It is more relevant to my analysis than a Gini index, which does not include the inequality between subgroups.

I observe a movement of opening and closure of the scope of blame. When the financial system explodes in period 2, the scope of potential culprits widens. The Theil index drops from 0.61 in period 1 to 0.26 in period 2. However during the next two periods, the distribution of blame becomes much more uneven. The Theil index moves from 0.55 in period 3 to 0.81 in period 4.⁹ A main culprit has been identified. Banks cumulate 38% of the blame in period 4. However it is puzzling to see that regulators were the main target in period 3. Interestingly, the Bush administration is never the main target (and actually never appears in the top three). Bush will not become the Hoover of the Great Recession.

Figure 3 about here

To assess intensity, I measured the evolution of the number of blaming instances per month (Figure 4). It shows that as predicted blame is more intense from September 2008 on. There are three major

⁸ The model is based on simulation and allows for the detection of communities in valued graphs by running a version of the Spinglass community detection algorithm. More specifically, the method implies three steps. First I calculated the observed correlation. Second, for K iterations (set at 500 in this case), I randomly sorted one of the matrices, and recalculated the correlation. Third I compared the observed correlations to the distribution of correlations created by the random permutations. The cells of the matrix contain the differences between the correlation of the observed and the mean of the correlations between the random matrices.

⁹ The ordering of the Lorenz curves of each time period is unambiguous. It shows an indisputable dominance of the one of the fourth period, which never crosses the others. The Theil index is more appropriate in this case, but another measure of disparity would not change the results fundamentally.

peaks: September-October 2008, February-March 2009 and April 2010. Content analysis reveals that, as predicted, the most important peaks correspond to events initiated by the political sphere. The first peak mostly corresponds to the controversy around the \$700 billion bailout plan to rescue the financial industry passed by Congress on October 3rd. The second peak is mostly triggered by two events: the controversies over the bonus and the stimulus package. A report released by the New York State comptroller in December 2008 starts the uproar. Although bonuses are 44% lower than their 2007 level, they are still comparable to the 2004 bonuses, while Wall Street was just saved by the government. The American Recovery and Reinvestment Act, a \$787 billion stimulus package signed into law on February 17th 2009, also triggers intense debates on State intervention in the economy. Times are then calmer, opening the period of stabilization. The third peak mostly corresponds to the S.E.C. versus Goldman Sachs lawsuit.

Figure 4 about here

I summarized the main findings of this first part in Table 3 for clarity's sake. It illustrates the dynamic interplay between the framing of the crisis and the framing of responsibilities. The crisis is increasingly defined as a financial crisis, and Wall Street takes an ever wider share of blame. However frames do not emerge in a vacuum. They are actively pushed by actors engaged in an uneven power game. The association between peaks of blame and political events is a first indication of the power of the political sphere. I will detail how this power manifests itself both directly and indirectly in the second section.

Table 3 about here

A hyper-concentration driven by the political sphere

The Democrats' landslide win in 2008 shifts the balance of power in the blame game. The political sphere can orient what, how, and when events are discussed. Democrats control the floor, and set the tone of the conversation, by using the other party's mistakes. I disentangle several factors behind the dynamic framing of the crisis: first, the November 2008 election; second, the bonus scandal in the winter of 2008; third, the role of the S.E.C. versus Goldman Sachs trial; fourth, the uneven distribution of voices in the media.

The rise of the Democrats

A major event happens in November 4th 2008: Obama is elected President of the United States, and the Democratic Party increases its majority in both chambers of the Congress. The influence of the Democrats in the media increases dramatically after the election. This shift helps explain the increasing focus on Wall Street. I demonstrate this point by measuring both the intensity and composition of the blaming incidences of both camps over the four time periods. Figure 5 represents the number of blaming instances by the political camp over the four time periods. Table 4 decomposes the top six blaming targets of the Democrat and Republican camps over the four time periods.

Figure 5 and Table 4 about here

Democrats strongly dominate the blame game after they seize power. Figure 5 shows that the ratio of blaming incidences sent by Democrats versus Republicans soars dramatically after the second period. It represents three-quarters in the third period, and almost two-fifths in the fourth period. It can be explained by four factors. First it reflects the hierarchy of news sources established in Gans' classical study (1979): the President followed by national politicians dominate the news. Logically elections have an impact on the hierarchies of news sources. Second it echoes the "honeymoon period" that follows any presidential election, coined "Obama mania". Thirdly it reflects Democrats' higher moral ground: they were not in power during the eight years that preceded the crisis. Table 4 shows that once

the Presidential campaign is over, Democrats shift their story. They stop blaming the Bush administration or Republicans. They do not play the traditional Washington blame game any longer. This is very surprising, since blaming the previous administration is a classic political strategy to justify difficult decisions.

It can be explained in three ways. First, it corresponds to Obama's initial philosophy of reconciliation. This implies reaching out beyond his political camp. Second, this shift can be interpreted as a response to the threat of the Tea Party movement. The movement emerged in February 2009 as a reaction to the bailouts and stimulus package. Blaming Republicans could strengthen the libertarian movement, and complicate negotiation processes. Third, Obama announces major reforms of banking regulation in June 2009. To support this move, in period 3 Democrats heavily blame the targets of change: the financial industry (24% for Wall Street and 31% for banks) and regulators (29%). But in period 4, they focus more explicitly on the financial industry (41% for Wall Street and 33% for banks), which is resisting the proposed changes. Regulators only represent 8% of the blame within the top six targets. Democrats switch targets depending on their agenda.

Table 4 shows that at the beginning, Republicans focus their attention on Wall Street (27%) and Mortgage Lenders (50%). It is rather logical that the political party in power for the eight years prior to the crisis tries to deflect blame outside of the political arena. In period 2, they spread the blame widely. They focus on Wall Street's recklessness (32%), and on the homeownership policy, promoted by Democrats through Fannie Mae and Freddie Mac (18%). Republicans' targets of blame change in periods 3 and 4. They focus their attention on the role of State intervention in the economy, embodied by regulators (54%) in period 3, and by Fannie Mae and Freddie Mac (71%) in period 4.

Republicans try to shift back the story to the mortgage roots of the crisis, which could be more favorable to them. But again, Republicans are not only trying to differentiate themselves ideologically. The fact that they stop targeting the financial industry has to be connected to lobbying efforts. While the financial industry supported Democrats in 2008, it switched back to supporting its traditional Republican ally in 2009. As expected, it also heavily intensified its lobbying efforts. Between 2006 and 2010, the amount of money the financial / insurance / real estate industry spent on lobbying increased by 26.5%.¹⁰ The increase is particularly impressive in dire economic times. Republicans do not blame their supporters – but do not go as far as defending them either. Coalitions between Wall Street and politicians changed over time, partly explaining the evolution of the blame game.

The crucial moment

One might argue that the financial meltdown in September 2008 changed the nature of the crisis itself, from a mortgage to a financial crisis. This explanation would then reduce the switch in dominant narratives to “objective” facts, rather than to the power of the Democrats. The chronology of events offers the possibility to assess more clearly the role played by the election. The election happened on November 4th, while the financial system crumbled from September 2008 on. I split period 2 into a period 2a (September 1st – November 3rd) and 2b (November 4th – March 31st). This period is crucial as initial frames are rarely disconfirmed (Entman 2004). Figure 6 decomposes the number of blaming instances of each political camp. Table 5 decomposes the top 6 targets of the whole dataset (including Democrats and Republicans). I choose here a more fine-grained level of analysis than in Figure 1. My goal is to capture the subtle influence of Republicans' frame rather than provide a big picture of the dynamic framing of the crisis.

Figure 6 and Table 5 about here

Figure 6 shows that Republicans slightly dominate until they lose the election. Then they abruptly stop being heard. In line with indexing theory (Bennett 1990), their narrative loses ground in the media. Open disagreement between political camps determines whether the media diverges from the ruling government line. Table 5 exposes that Fannie Mae and Freddie Mac, which gathered 14% of the blame

¹⁰ Source: Center for Responsive Politics. Website: <http://www.opensecrets.org/lobby/indus.php?id=F>.

in period 2a, disappear from the top 6 in period 2b. The institutions, which Republican Presidential candidate McCain claimed were the match that started the fire, actually rank 13th. Table 5 also shows that the Bush administration's blame share drops from 18% to 11% of the top 6. Its decisions to let Lehman fail, to generously save Wall Street, and to neglect the housing crisis could have been widely criticized. Bush's fate might be the best indicator of the Democrats' influence on the public discourse. *The Wall Street Journal* editorialists are fully aware of the turn towards the Democrats' narrative, when they write right before the election: "Derivatives are the irresistible story now, because they offer the opportunity to shift the blame from bad housing policy and they suggest that a lack of financial regulation was the problem."¹¹ Both the Democrats' election, and the Republicans' silence, will amplify this move.

The more Democrats push the excessive market narrative, the more Republicans try to push an excessive State counter-narrative. The Republicans' narrative does not stick – partly because they do not have as much power to impose it, and partly because their narrative does not resonate with the public anger directed at Wall Street after the bonus controversy. The bonus controversy is a key weapon for the Democrats. In a blame game, the accuser can use the accused's mistakes to win audiences' approval.

The bonus controversy

As stated earlier, a report released by the New York State comptroller in December 2008 started the uproar. The total amount of bonuses on Wall Street for 2008 amounts to \$18.4 billion, which was then the sixth largest round of bonuses on record. The public uproar is striking if we compare it to the relative indifference given to the exit-pay package that S. O'Neal received only a year earlier. He received the fifth-largest exit-pay package for a U.S. executive (\$161.5 million) when he left a bleeding Merrill Lynch. Democrats actively used the distribution of bonuses to push their legislative agenda.

At a time when news commentators seem unaware of the looming problem, New York State Attorney General A. Cuomo demands that A.I.G.'s directors take steps to claw back payments in mid-October 2008. Bonuses then become a center of focus in Washington. On January 29th 2009, Obama accuses Wall Street banks of displaying "the height of irresponsibility" and of letting down the American people. In the same vein, on February 11th Wall Street banks' CEOs confront a hostile congressional committee. In March, the House of Representatives votes in favor of a bill to levy a 90% tax on big bonuses from firms bailed out by taxpayers (which will never be implemented). The pressure intensifies as the year goes by. On December 13th, Obama declares: "I did not run for office to be helping out a bunch of fat cat bankers on Wall Street."¹² He then proposes a "financial crisis responsibility fee" on January 14th 2010, as well as restrictions on proprietary trading. Strikingly these proposals happen the day after the first Financial Crisis Inquiry Commission hearings on January 13th. The Democrat-dominated commission chooses to call to account Wall Street banks' CEOs first. The order and timing of witness appearances is crucial in the public discourse battle. The new financial regulations will be signed into law in July.

The bonus controversy plays a crucial role in opening a symbolic gap between "Wall Street" and "Main Street." Entman (2003) shows that a frame must be packaged in words and images that are noticeable, understandable, memorable, and emotionally charged to resonate with a wider audience. Bonuses are a sign that bankers gamed the system to their benefit – and to everybody else's loss. An excerpt from *The New York Times* from January 2009¹³ captures the idea well: "But words like 'off-balance-sheet vehicles' and 'mortgage-backed securities' don't have much meaning for most of us. What we understand is greed. For most Americans, big bonuses and corporate jets and office remodelings become a kind of stand-in for the real sins of the bankers." In a high uncertainty context,

¹¹ Source: "Barack Wrote a Letter...", *The Wall Street Journal*, October 29th 2008

¹² Source: "Obama Slams 'Fat Cat' Bankers," *The Wall Street Journal*, December 14th 2009

¹³ Source: "It's Not the Bonus Money. It's the Principle," *The New York Times*, January 31st 2009

causality is constructed by using the heuristic tool of “following the money.” Bonuses anchor *both* causality and moral wrongfulness, and trigger a strong emotional reaction.

The symbolic gap will be reinforced by the discrepancy between Wall Street’s fast recovery and Main Street’s slow recovery in 2009 and 2010. Though a large number of banks failed or nearly failed during the crisis, on the whole they recovered quickly. The total financial sector profits reached \$428 billion in 2006, and then dropped to \$128 billion in 2008. But they bounced back to \$242 billion in 2009 and \$369 billion in 2010, thanks to low interest rates and low-cost government borrowing (The Financial Crisis Inquiry Report 2011:401). This fast recovery while the overall economy struggled creates a “war profiteer” syndrome. Wall Street banks CEOs lobbying and communication efforts also have disastrous effects. The latter probably culminated in November 2009 when Goldman Sachs CEO claimed that he refused to put a cap on bonus and ambition, because banks were merely “doing God’s work.”¹⁴ The chieftains of Wall Street present an attitude that appears arrogant and self-serving.

The bonus controversy anchors the image of a self-serving banker, reinforced by good financial results and resistance to change. The comparison with the previous year shows that a different context redefines these compensation practices as deviant. As J. Dimon, CEO of J.P. Morgan says the bailout has become a “Scarlet letter.”¹⁵ Self-serving behavior triggers blame, in line with disaster theories. My analysis pushes this literature further. It shows that Democrats promote this self-serving image. Journalists overwhelmingly concur with politicians’ narrative, although they sometimes regret that politicians’ “headline obsession with bonuses”¹⁶ prevents deeper reflections on the crisis triggering mechanisms.

Tests and spillover effects

The lead taken by Democrats, and the bonus controversy, help explain how blame shifted towards Wall Street. But they do not explain the final hyper-concentration on Wall Street’s responsibility. They neither explain the importance taken by the S.E.C. lawsuit in April 2010, nor the decrease in regulators’ responsibility either. The explanation is again to be found in the power of the political sphere. The political sphere can promote events. Events act like tests which can have a massive spillover effect.

The S.E.C. investigation appears at a point when attention is already centered on Goldman Sachs. The bonus outcry culminates in March 2009. It is announced that A.I.G. has crashed to become the biggest corporate loss in US history, and paid out a total of \$218 million in bonuses after accepting bailout cash. A.I.G. top executives receive death threats. The outcry decreases after April 2009, in the stabilization era. But a new villain clearly emerges: Goldman Sachs. Figure 7 computes the number of times Goldman Sachs is mentioned per period. The mentions almost double from one period to the other. Goldman Sachs increasingly becomes the focus of attention. The magazine *Rolling Stone* publishes a well-known article about Goldman Sachs in July 2009, accusing it of being “a great vampire squid wrapped around the face of humanity.”¹⁷ The reason why the attention drifts towards Goldman Sachs is that it appears the greatest war profiteer in this crisis. Contrary to A.I.G., Goldman Sachs posted a \$13.4 billion profit in 2009, a Wall Street record.

Figure 7 about here

¹⁴ Source: “Blankfein Says He is Just Doing God’s Work,” *The New York Times*, November 9th 2009

¹⁵ Source: “Goldman Is Feeling Unloved,” *The New York Times*, April 17th 2009

¹⁶ Source: “We Can’t Subsidize the Banks Forever,” *The Wall Street Journal*, May 5th 2009

¹⁷ Source: “The Great American Bubble Machine,” *Rolling Stone*, July 13th 2009. One might wonder if this article is not key in switching the attention towards Goldman Sachs. This explanation is insufficient because Goldman Sachs starts being a central focus in April 2009, three months before its publication.

A frame is set which explains the echo of the S.E.C. versus Goldman Sachs lawsuit. An agent carrying the legitimacy of the State accuses the world's most prestigious bank of *illegal* rather than simply *immoral* behavior. The prosecution has a spillover effect: Goldman Sachs' behavior is taken as representative of Wall Street's. The lawsuit helps find closure in the narrative, by asserting the violation of community standards. It is interesting to note that a regulator voices the accusation. The S.E.C. is seen as regaining strength through the accusation, after having been asleep at the wheel for too long. It is also interesting to note that the spillover effect happens three months before the signature of the Dodd-Frank regulatory package. Reputation can help regulation.

This spillover effect is striking because in period 3 regulators were still the main accused. Many potential tests, and notably B. Bernanke's confirmation in January 2010, could have had a large spillover effect. But I observe a movement of de-culpabilization of regulators. They are still distrusted for failing to anticipate the crisis, and failing to regulate mortgage and financial institutions appropriately. But their reaction to the disaster is perceived adequate. B. Bernanke in particular is seen as the expert of the Great Depression who saved the economy. This quote from a July 2009 op-ed from N. Roubini, one of the few economists who predicted the explosion of the bubble, illustrates this point: "Mr. Bernanke deserves to be reappointed. Both the conventional and unconventional decisions made by this scholar of the Great Depression prevented the Great Recession of 2008-2009 from turning into the Great Depression 2.0."¹⁸ Bernanke is perceived as the expert who saved the economy. His academic background and lack of connection to Wall Street help this transformation. His confirmation will finalize this movement of de-culpabilization, and prevent a spillover effect on regulators as a whole

Again though, frames do not emerge in a vacuum. They have to be related to wider power games between accusers, accused and audiences. Powerful accusers do not have a strong interest in heavily blaming regulators. The Obama administration supports B. Bernanke's confirmation. B. Bernanke himself revealed an unexpected political genius during the crisis. His open and humble communication style markedly differs from the abstruse and laconic style of his predecessor, A. Greenspan. He regularly discusses his policy in public meetings. He walks along Main Street in his home town in CBS' *60 minutes* in March 2009. When powerful actors do not back the accusations, and when the accused deploy adequate strategies, journalists endorse the accusation timidly. Strikingly journalists mostly use the passive form to blame regulators. The category "unknown" is most often used to blame regulators across time periods. The decomposition of the top 10 targets of blame of this "unknown" category is telling. Regulators represent 29% of the top 10 in period 1, 18% in period 2, 37% in period 3, and 19% in period 4. The category unknown is the regulators' main accuser in period 3. More importantly narratives on regulators convey a story of mistakes rather than misconduct. Their behavior is not perceived to be self-serving.

During unsettled times any event could become an important catalyst of blame. During these events, blame can have a contagious effect. Blaming a part can lead to blaming the whole. A prosecution against Goldman Sachs anchors the principle of Wall Street's responsibility. Conversely, a belonging to a whole grounds (or prevents) the blame to the part. Bernanke's affiliation to academia (and not to Wall Street) is underlined to anchor his image of "Great Preventer."

An imbalance of power

This active construction of events might not have happened so forcefully if the power to shape the public discourse was evenly distributed. I represent what I called the field of accusation in Figures 8 and 9. These matrices connect the accusers and the accused by field, period by period (Figure 8) or during the whole crisis (Figure 9).

The figures show that business actors, be they in the financial or mortgage industry, do not shape the blame game at any point in time. In Figure 8, the financial industry only sends 499 ties, and receives 2323, and the housing industry sends 95 ties, and receives 719. There are in fact three categories of actors: the ones who accuse (intellectuals and the general public), the ones who are

¹⁸ Source: "Does Bernanke Deserve Another Term?: The Great Preventer," *The New York Times*, July 26th 2009

accused (finance, housing, and borrowers), and the ones who accuse and are accused (Government). Figure 8 also exposes the fact that the categories that receive most of the blame – Government, finance, housing – show a very high level of internal blame game. The financial industry overwhelmingly blames itself (355 ties out of 499 sent) and so does the housing industry (39 ties out of 95 sent). The more a field is under attack, the more actors protect (or further) their own position by deflecting blame internally. The blame game reveals and reinforces field logics. Social hierarchies can be redefined in these unsettled times, leading to strong rivalries. By enacting these rivalries, actors actually reinforce the blame targeted towards their own category, instead of diffusing it externally for instance.

Figure 8 (a, b, c, d) about here

Figure 9 about here

The decomposition of the field of Government exposes how these dynamics work (Figure 10). It shows an imbalance of power between accusers and accused within the field. The three biggest targets of blame, which are regulators, the Bush administration, and Fannie Mae / Freddie Mac, are not big emitters of blame. Regulators send 112 ties and receive 264, the Bush administration sends 23 ties and receives 153, and Fannie Mae / Freddie Mac receives sends 12 ties and receives 98. Again they show a high level of internal blame game, accounting for around three-quarters of the blame sent by regulators and Fannie Mae / Freddie Mac respectively (interestingly though, the Bush administration rarely blames itself). Figure 10 shows that the blame game is structured around the traditional oppositions between Democrats and Republicans, which was to be expected. Interestingly, the positions of Democrats and Republicans in Congress are slightly different from the positions of both Presidents. It shows that, as predicted, political ideologies should be crossed with structural positions in analyzing blaming incidences. For instance, Obama blames regulators less, but Washington more than Democrats do. He assumes the gravitas of a President.

Figure 10 about here

In this section, I have exposed why blame increasingly targeted the financial sphere. The takeover of Washington by Democrats coincides with the beginning of the bonus controversy. Democrats increasingly insist on Wall Street's responsibility in order to push legislation in Congress. They surf on the deep public anger caused by Wall Street's past and current behavior. However such a crystallization might not have been so stark if voice power had been more evenly distributed in the media.

Discussion

This article exposes how a blame game led by the political sphere, and Democrats in particular, led to the crystallization of blame on Wall Street. What follows is a description of the contributions, the generalizability and limitations of my work.

The main contribution of this article is to produce a theory of blame games. I have defined them as a dynamic process of accusations and counter-accusations. Blame games are not senseless eruptions of anger. They are, rather, structured and dynamic processes of boundary drawing. The soaring culpability of Wall Street goes along a decreasing culpability of borrowers and the housing industry first, and of the political sphere second. Blame is shaped by a process of culpabilization and de-culpabilization. This process echoes an overall process of sense making. The ongoing reframing of the crisis echoes the reframing of responsibilities. The crisis is increasingly defined as a financial crisis, as the focus is increasingly on Wall Street. To a cast of possible deeds, there corresponds a cast of plausible perpetrators (Tilly 2008). Logical candidates for blame are progressively discarded. But this outcome is the result of an active construction of causality and moral wrongfulness. As Faulkner

(Faulkner 2011:16) argues, it is “a virtuoso exercise in the redescription of behavior in order to transform its moral significance.” This construction is still anchored in facts and events. The point is that some are highlighted more than others.

Using the concept of blame games helps me build and depart from previous approaches on the assignment of responsibility. I go beyond the idea of a “resonance” of frames with a wider context. I reconnect accusatory frames to the actors who push them, and re-embed them in a wider field of power relations. The success of an accusatory frame depends on the power of the accuser, the weakness of the accused, and the acceptance of the audiences. Power here refers to the material, institutional, rhetoric and status resources that actors can deploy to orient the public discourse. One might wonder why powerful actors do not simply crush their opponents in a public blame game. The Obama administration needs Wall Street to start lending again, and Republicans not to oppose regulation. While it has the power to crush other actors, it might be wise not to use it fully. A President might also lose his/her gravitas if s/he uses this power too profusely. Actors must find a balance between competition and cooperation to further their interests.

The theory I delineated calls for an examination of its generalizability and limitations. This work participates in the understanding of a wide range of disruptive events, from uncoupling to natural disasters. Blame games are universal processes that can emerge in many contexts of disputes. My study involved the specific case of an immensely complex and system-wide crisis. It has three implications. First, a myriad of actors could be deemed responsible. Second, establishing causality, and therefore responsibility for the crisis is difficult. Many different interpretations of the crisis could be given. I argued that moral wrongfulness matters at least as much as causality in this context. Moral wrongfulness defines the line between the “good guys” and the “bad guys.” Third, the crisis had repercussions for American society as a whole (and beyond). I think that this led to a particularly intense blame game, whose outcome could not be fully predicted *ex-ante*. Further research is needed to validate this assumption though, by comparing this case to others.

Although my case is specific, I have laid out a model applicable to many different contexts. Researchers studying blame games should start by analyzing the logics and means of actions of the competing coalitions. This power game can also explain the resonance of a frame with a political and historical context. But time continually recomposes both the context and the structure of power relations. Powerful actors under fire can see their legitimacy shaking, and lose their capacity to shape the public discourse. Revolutions can start with a blame game. The empirical study of blaming dynamics uncovers what I call fields of accusation. I have defined them as a public sphere where actors compete to assign responsibility, in a game of accusations and counter-accusations. The fields vary depending on the scope of the disaster, the harm done, and the investigations conducted. The fields are themselves dynamic. Their boundaries can expand (or shrink) as the scandal expands (or shrinks).

There are several limitations to my study. First, it does not take into account other potentially related blame games. Republicans have an interest in driving the attention towards other issues, such as health care policies. If they don’t like what is being said, they can switch the conversation. Second, it captures blame dynamics over a short period of time. The collective memory literature (Giesen 2016, Levy and Sznajder 2004, Olick 2007, Tsutsui 2009) shows how responsibility assignments constantly evolve over time. Responsibility for World War 2 evolved from being hyper-concentrated on a few culprits to being hyper-extended to humanity as a whole. It is unclear how blame patterns for the crisis will evolve over the long run.

Third, this study analyzes how actors push frames that overlap in assigning responsibility. However two different parties for different reasons can blame the same actor. Democrats and Republicans typically disagree on the appropriate level of State intervention in the economy. They might both accuse the Fed, for doing too much, or too little to save the economy. An interesting study could disentangle the claims behind accusations. It would similarly reconnect them to the actors who push them, and study claims’ evolution over time. Such study would try and understand how actors themselves conceive the interplay between morals and markets (Fourcade and Healy 2007, Fourcade et al. 2013), how they justify their claims, and how their denunciations are received (Boltanski, Darré

and Schiltz 1984). This study could illuminate another important factor in explaining the success of an accusation: the validity of claims.

This article deals with reputation rather than regulation. However the discrepancy between the frenzied search for guilt and the timid regulations that followed triggers a “so what?” question, both empirically and theoretically. I argue that this discrepancy is actually significant. The disaster research (Drabek and Quarantelli 1967) shows that the more intense the search for responsible parties, and the less the efforts to correct permanent problems. Conversely, the absence of personal blame can lead to major structural changes. The absence of major structural change and the intense search for guilt have to be read in conjunction. Yet a competing hypothesis could be true. The timid regulations could be seen as an effect of a lack of strong involvement of powerful actors. The Democrats’ attacks might seem timid in comparison with the violent rhetoric that President Roosevelt and F. Pecora deployed during the Great Depression. The crisis might well have been the failed revenge of the Democrats. This competing hypothesis points to the role of agents in enacting their environment. Only a comparative study could adjudicate between both hypotheses.

APPENDIX A: Research protocol

Conducting this media analysis was a long and thorough process, which took two years. The corpus of articles containing blaming patterns represents 10,161 pages of word documents (4,798 for *The Wall Street Journal*, 4,260 for *The New York Times*, 1,103 for *USA Today*).

Sampling

I first gathered all the articles containing at least one blaming pattern related to the crisis. The main focus of the article could be the crisis itself, or any other matter. To retrieve the articles, I used search words as the lexicon related to causality, responsibility, accountability, and the diverse denominations of the financial crisis. The list is the following:

(Caused or cause or causing or produced or producing or produce or triggered or trigger or triggering or induce or induced or inducing or lead to or leading to or led to or mechanism or mechanisms or resulting or result or resulted or the heart of or origin or originating or originated or contribute or contributing or roots or rooted or provoked or provoking or provoke or precipitate or precipitating or precipitated or bring about or brought about or prompting or prompt or prompted or sparking or spark or sparked or starting or start or started or deriving or derive or derived or stem or stemming or stemmed or fueled by or enable or enabled or enablers or arise or arising or arose or emerge or emerging or emerged or failed or failure or failing or reckless or responsible or irresponsible or greed or misconduct or cupidity or greedy or predatory or liar's loan or no doc or responsibility or blame or blaming or blamed or blamable or guilt or guilty or fault or faulting or faulty or imputable or imputation or imputed or imputing or shame or shaming or accusing or accuse or accused or accusation or charge or charging or charged or ascribing or ascribe or assign or assigned or assigning or culpable or on the hook or reprehensible or complaint or complaining or castigated or castigating or criticized or criticizing or denouncing or denounced disapproving or disapproval or implicating or implicated or reproaching or reproached or trespassing or trespass or transgressing or transgression or wrongdoing or misconduct or mistake or offense or misuse or attacking or attacked or point the finger or prosecuted or prosecuting or recriminated or accountability or accountable or liable or liability or answerable or answerability or onus or burden) AND (housing slump or housing bust or housing bubble or subprime mortgages or foreclosures or credit crunch or financial crisis or economic crisis or great recession or global recession or turmoil or subprime crisis or subprime mortgage crisis or crisis)

Coding

I then identified all the blaming incidences in each article. I coded incidences which were related to the crisis itself. This coding strategy excluded philosophical discussions on the bailout for instance (deemed “un-American” by some). This coding method also excluded discussions about future potential consequences (as in the bailout *could* worsen the situation). This means that I would select a sentence where an actor thought that Paulson’s inconsistent bailout proposals *did* aggravate problems on the financial market. I had three coding criteria: An actor (a) a causality link (b) related to the crisis (c). I selected instances where an actor thought another actor’s past or present actions had a negative and real effect on the crisis. An article could contain multiple incidences of blame, sometimes in the same sentence. For each blaming instance, I distinguished a source and a target of blame (actor A blames actor B). Finally, both actor A and actor B were positioned in a category and sub-category. I excluded both mechanisms (“derivatives”) and abstractions (“capitalism”) from the coding. What follows are several examples and counter-examples of coding.

The president said the financial crisis, which has cost more than 8 million jobs so far, was “born of a failure of responsibility from **Wall Street** all the way to **Washington**.” (*USA Today*, 04/2010)

➔ Obama (Government / Obama administration) >> Wall Street (Finance / Wall Street)

➔ Obama (Government / Obama administration) >> Washington (Government / Finance)

Today, **the Bakers** owe \$30,000 on credit cards and \$105,000 on a home worth only \$63,000. They blame **themselves** but also say **lenders** share responsibility for “making it so easy” to borrow. (*USA Today*, 06/2008)

➔ The Bakers (Borrowers / Borrowers) >> The Bakers (Borrowers / Borrowers)

➔ The Bakers (Borrowers / Borrowers) >> Mortgage lenders (Housing industry / Mortgage lenders)

In “Efficient Market Theory and Crisis” (op-ed, Oct. 29), Jeremy J. Siegel convinced me that the efficient market hypothesis was a contributing factor to the financial crisis. If the prices of securities reflect “all known information that impacts their value,” then why did these prices not reflect all the information Mr. Siegel said “should have sent up red flags and cast doubts”? (*The Wall Street Journal*, 11/2009)

➔ No blaming tie

As a Republican, Mr. Shelby would normally be the one to defend a Republican president's policies. Instead, he's the leader of a mounting chorus of conservatives who think President George W. Bush has sold out conservative principles. "I think we're going down the road of France now." (*The Wall Street Journal*, 09/2008)

➔ No blaming tie

Inter-reliability coding

To test the robustness of both my categories and my coding, I asked two external coders to analyze a random sample of 100 articles. The sample was drawn from the three newspapers in proportion of their importance in my population. The coders had to answer the question: who is blaming who for negative consequences related to the crisis? I asked the coders to follow the same method I used. First they had to identify if and where there was a blaming pattern in the text. Then they had to identify who was blaming who. Finally they had to assign categories to the source and the target of blame, at the level of a category (“Housing”), and sub-category (“Mortgage lenders”). Intercoder reliability was calculated by using Fleiss’s Kappa, which allows for computations for more than two coders. It measures the proportion of agreement between raters taking chance into account, and is therefore more reliable than simple percent agreement (Kolbe and Burnett 1991, Stemler 2001). It compares observed agreement with expected agreement. The metric goes to 1 when coding is perfectly reliable and to -1 when the observed agreement is lower than the expected value. Fleiss (1981) provides a scale to interpret his statistic. A measure below 0.40 indicates poor agreement; a measure between 0.60 and 0.74, shows an intermediate to good agreement; a measure above 0.75 means that the agreement is excellent. Among the 296 blaming incidences identified in common, the agreement at the level of the identification of an actor with a category was of 0.88, and the agreement at the level of the identification of an actor with a sub-category was 0.67. I am therefore confident that my method is robust, and preserves the richness of the analysis.

Community detection analysis

The rationale for using pre-defined clusters instead of grouping actors on the basis of a community detection analysis is three-fold. First, the number of individual actors in a media analysis of this type is naturally extremely high – including overstretched borrowers who only speak once, for instance. Second, my analysis runs over the course of three years, and individuals’ blaming patterns are volatile. Two actors might have similar blaming patterns at the beginning, and dissimilar patterns at the end. Clustering them on the basis of their overall blaming patterns runs the risk of not capturing these trajectories. Third my trials of community detection methods remained inconclusive. Similarities in

patterns did not lead to the construction of meaningful categories. Actors' logic of action is better understood by re-embedding them in a field.

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FIGURES AND TABLES

Figure 1: Blaming targets by category and by period

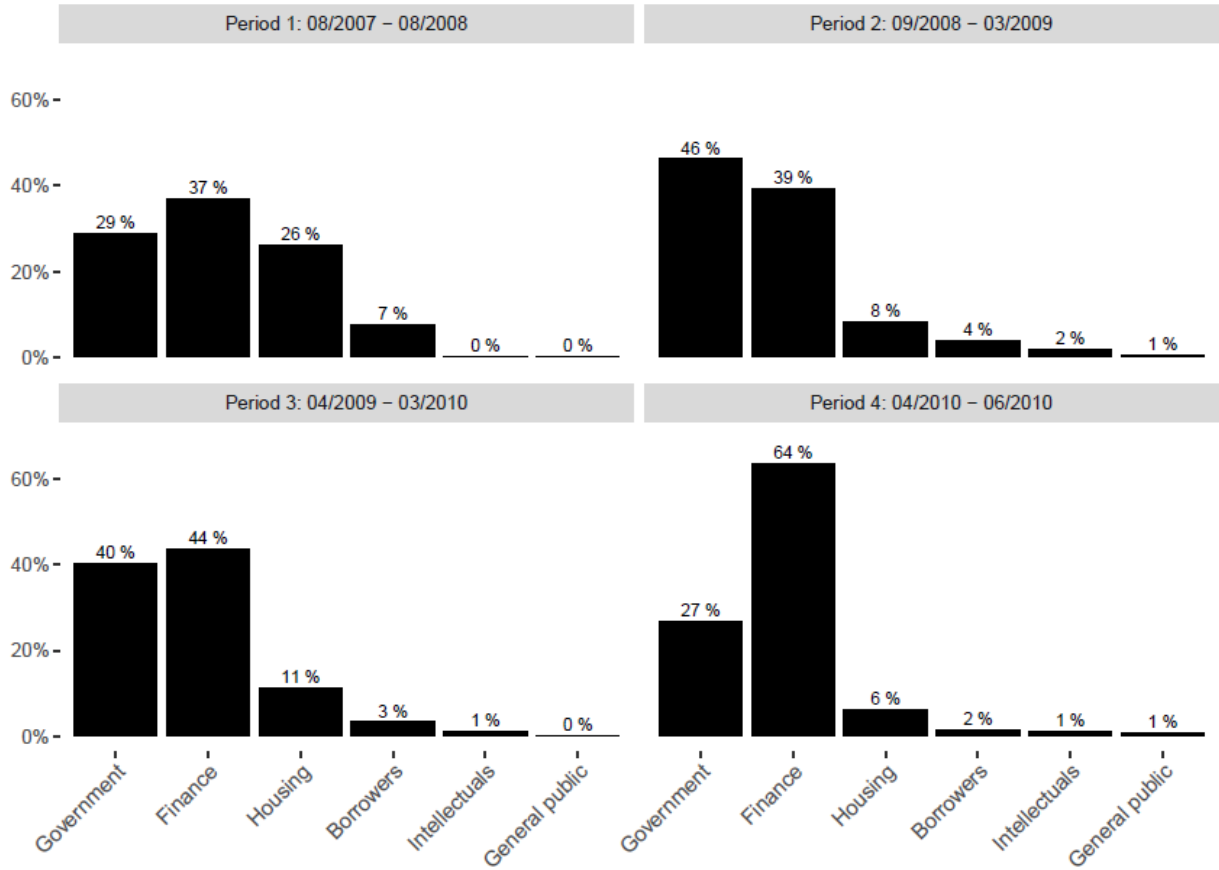


Figure 2: Correlations between monthly blame matrices (QAP)

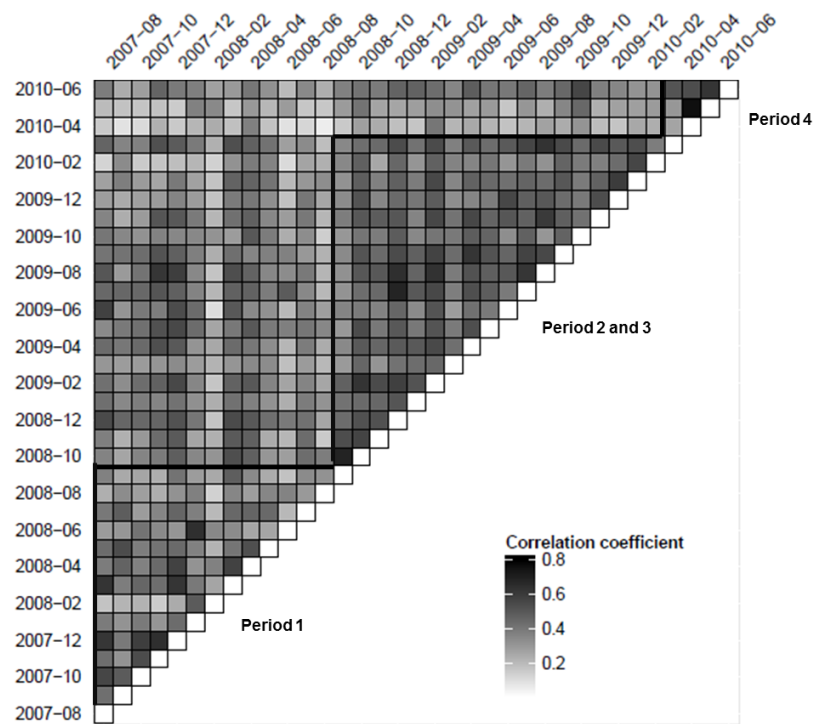


Figure 3: Distribution of blame per period

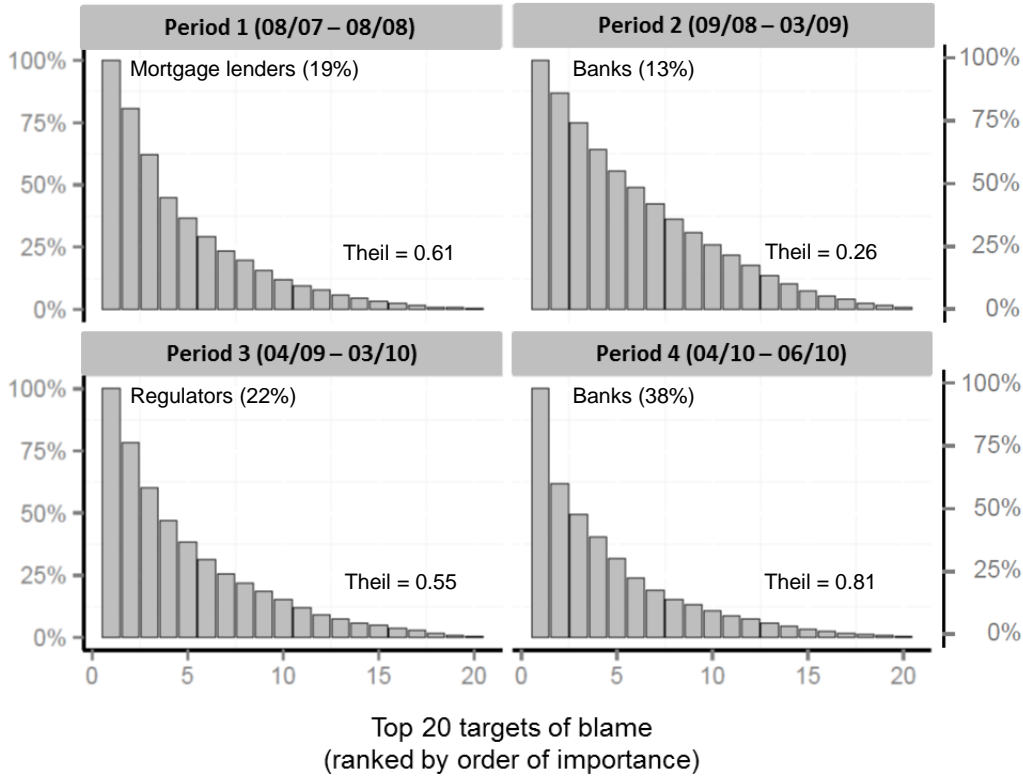


Figure 4: Number of blaming incidences per month

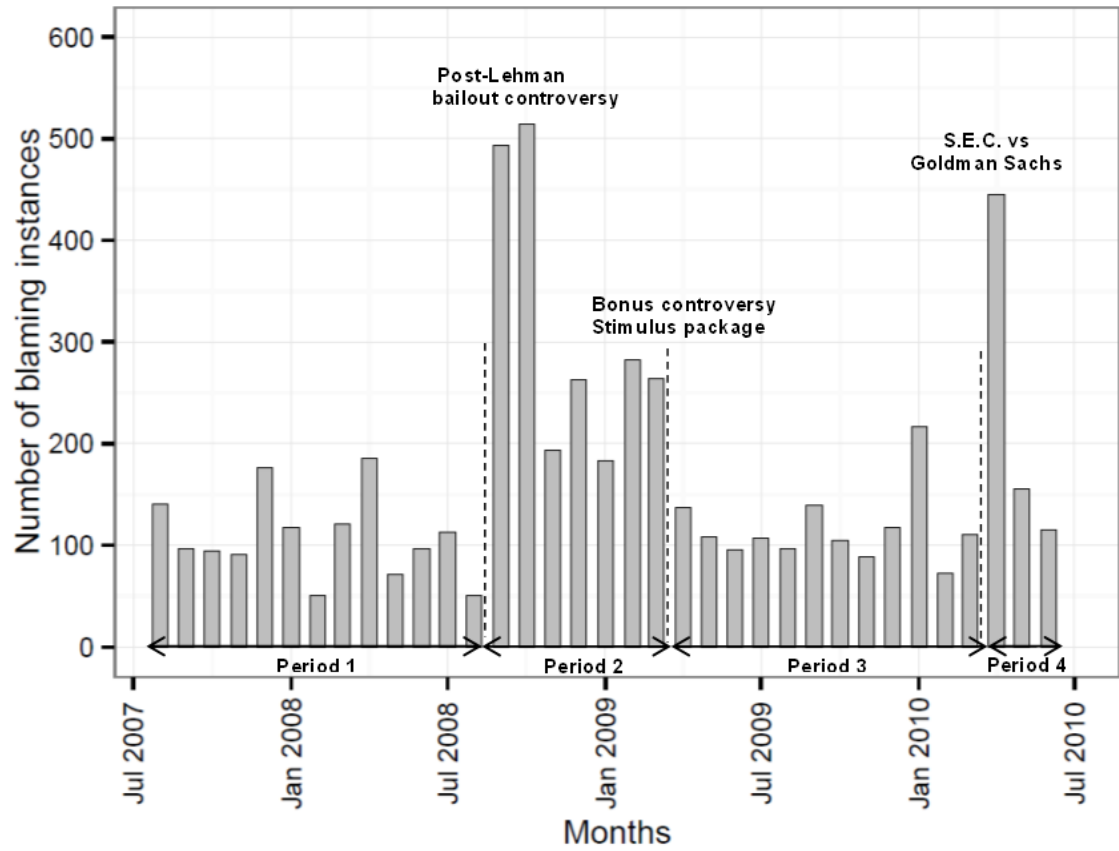


Figure 5: Number of blaming instances per period, Democrats and Republicans

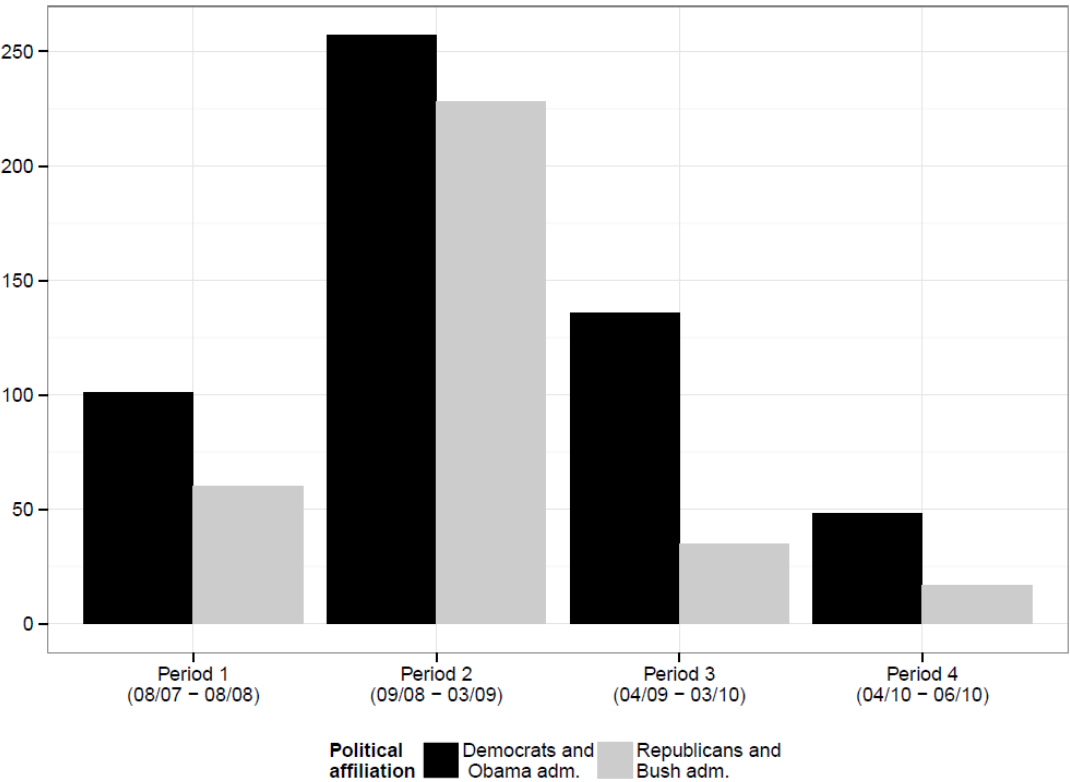


Figure 6: Number of blaming instances, periods 2a and 2b, Democrats and Republicans

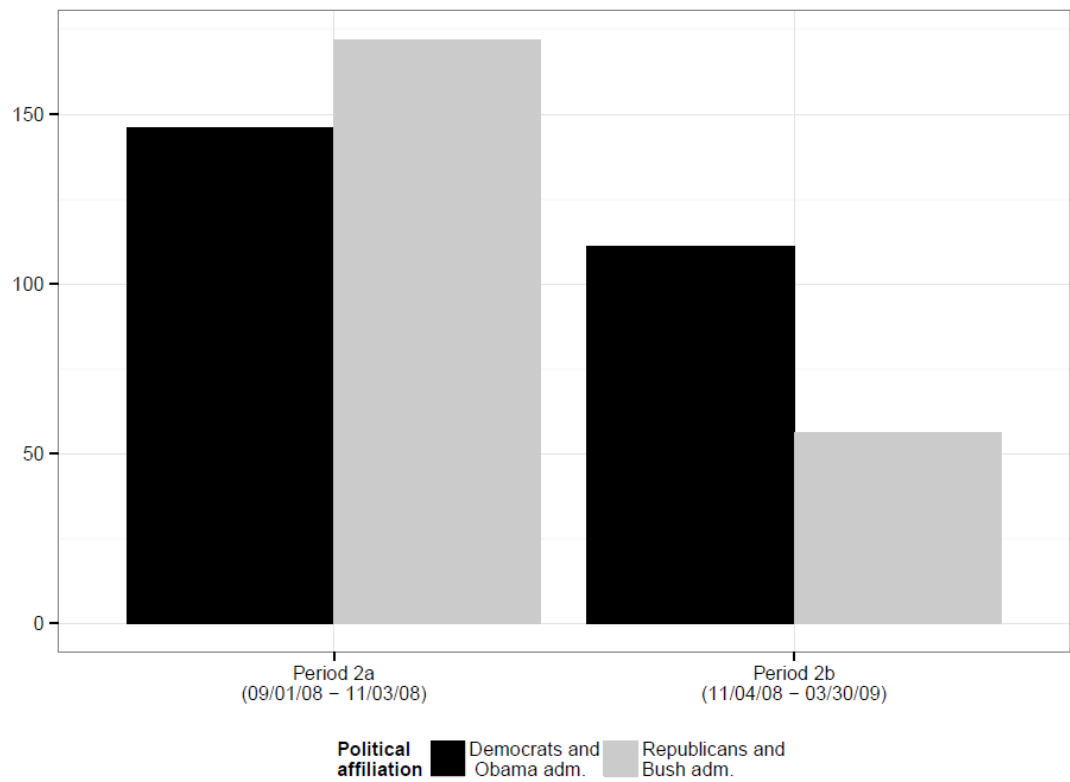


Figure 7: Number of mentions of Goldman Sachs per period

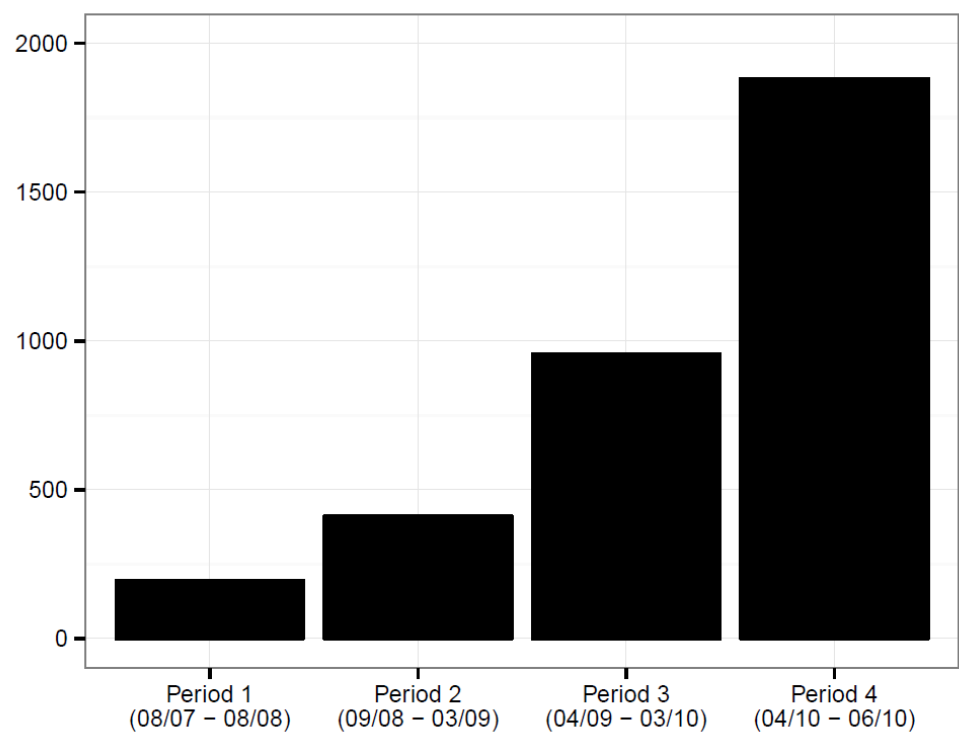


Figure 8 (a, b, c, d): Matrices of blame per period (period 1, period 2, period 3, period 4)

NB: The scale varies period by period. For simplicity, the category “Other” is not displayed in the matrices.

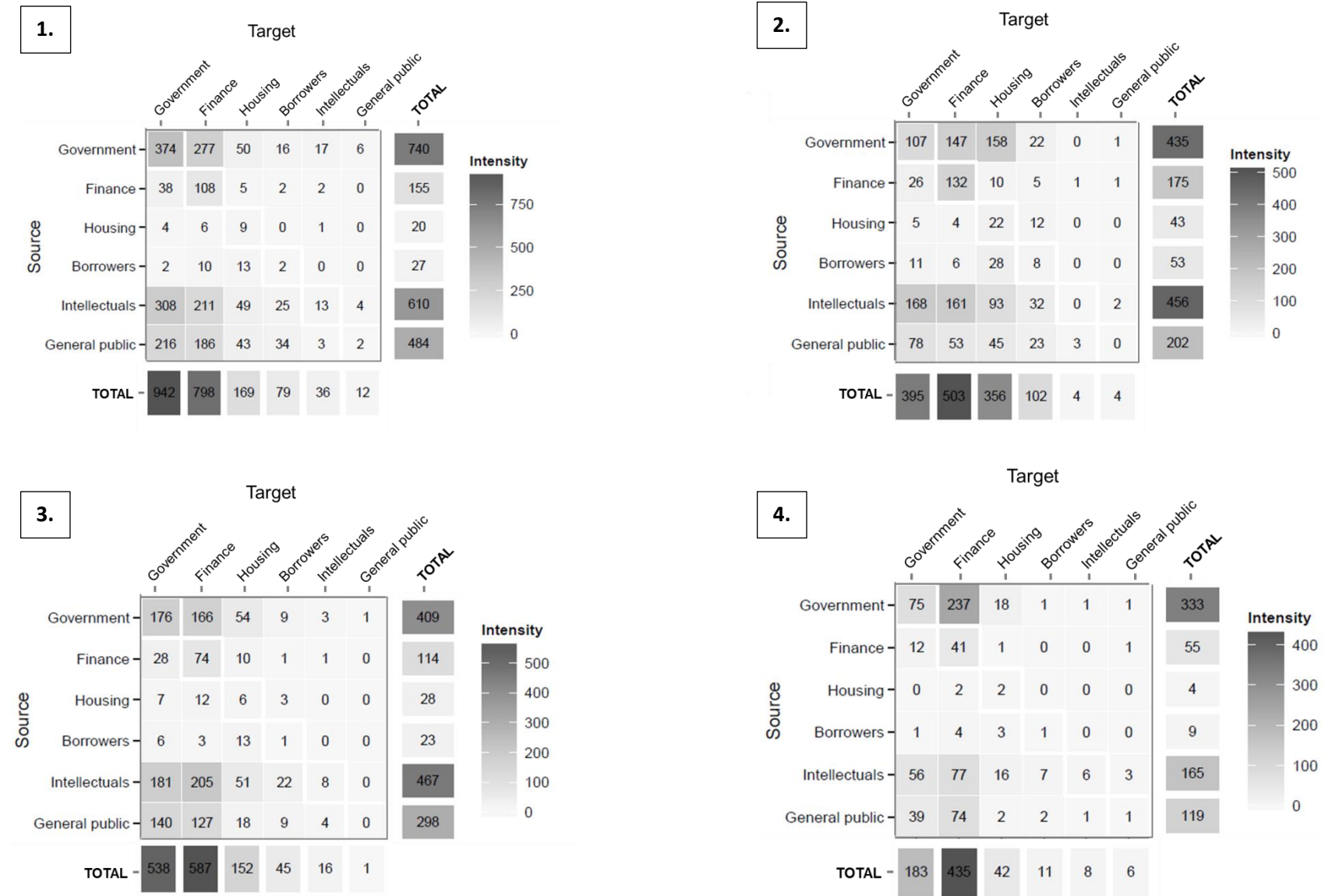


Figure 9: Matrix of Blame, Whole Period

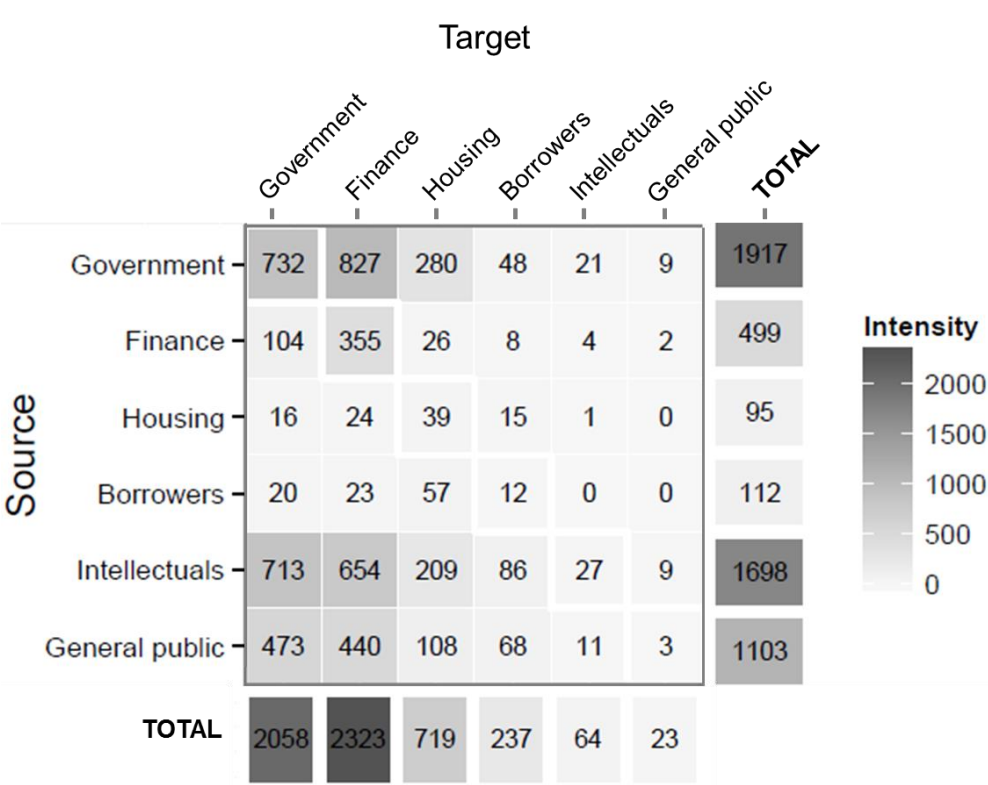


Figure 10: Matrix of Blame, Government, Whole Period

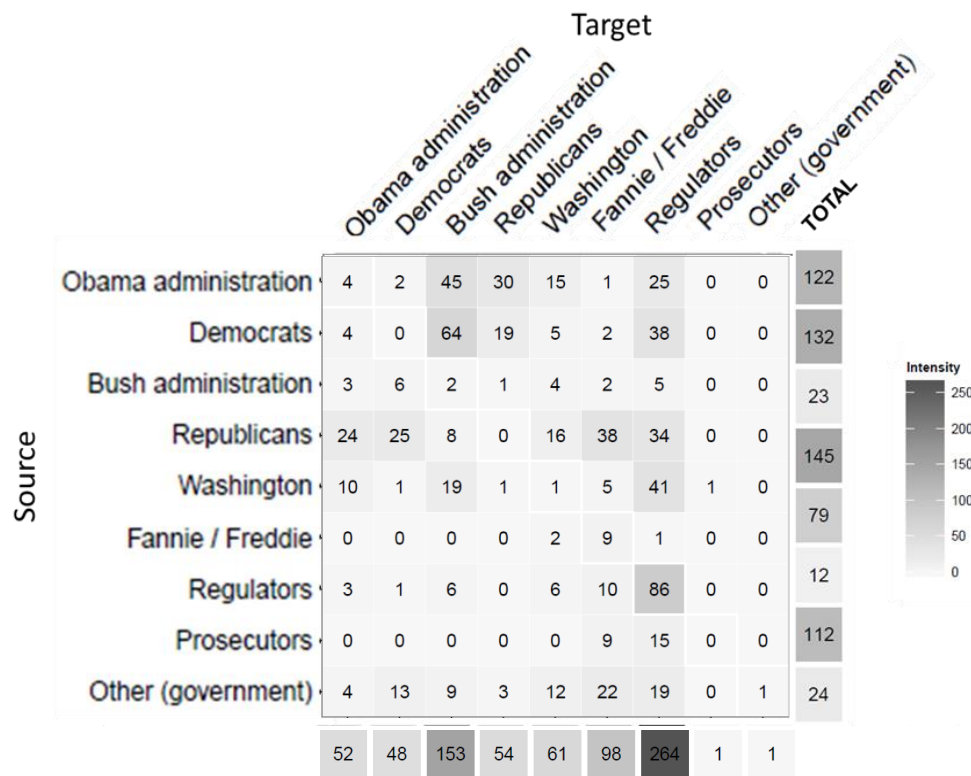


Table 1: Categories and sub-categories of coding

Categories	Government	Finance	Housing	Borrowers	Intellectuals	General public	Other
Sub-categories	Obama adm.	Banks	Mortgage lenders	Borrowers	Journalists	Letter writers	Rest of the world
	Democrats	Credit rating agencies	Mortgage brokers	Consumer advocates	Academia	Polls	Auto industry
	Republicans	AIG	Appraisers / Real estate developers / Agents		Writer	Unknown	Business world
	Bush adm.	Funds / Investors					Elite
	Regulators	Wall Street					Other (other)
	Prosecutors	Other (finance)					
	Washington						
	Other (government)						

Table 2: Gram preceding the word “crisis” - Difference in observed occurrence in a time period and expected probability of occurrence in the corpus

Rank	Period 1 (08/07 - 08/08)		Period 2 (09/08 - 03/09)		Period 3 (04/09 - 03/10)		Period 4 (04/10 - 06/10)	
	Word	Difference	Word	Difference	Word	Difference	Word	Difference
1	mortgage	0.13	financial	0.33	financial	0.43	financial	0.51
2	credit	0.12	the	0.11	the	0.14	the	0.15
3	financial	0.09	economic	0.08	economic	0.07	credit	0.03
4	the	0.08	credit	0.06	this	0.03	economic	0.02
5	housing	0.06	this	0.05	credit	0.02	mortgage	0.02
6	subprime	0.05	current	0.04	foreclosure	0.02	housing	0.02
7	current	0.05	a	0.02	current	0.02	next	0.01
8	foreclosure	0.04	mortgage	0.02	mortgage	0.01	recent	0.01
9	a	0.03	housing	0.02	housing	0.01	a	0.01
10	this	0.01	banking	0.01	banking	0.01	debt	0.01

Table 3: Summary of the stage model of the crisis

Period	Intensity of blame (Fig. 4)	Opening vs Closure (Fig. 3)	Targets of blame (Fig. 1)	Definition of the crisis (Table 2)	Stage model
1	Low	Midway	Finance Government Housing Borrowers	Mortgage crisis	Unawareness
2	High	Opening	Finance Government	Financial crisis “The” crisis	Turmoil
3	Medium	Midway	Finance Government	Financial crisis “The” crisis	Stabilization
4	High	Closure	Finance	Financial crisis “The” crisis Recent / Next crisis	Settlement

Table 4: Top 6 targets of blame, Democrats and Republicans, Whole period

	Period 1 (08/07 - 08/08)	Period 2 (09/08 - 03/09)	Period 3 (04/09 - 03/10)	Period 4 (04/10 - 06/10)
Bush administration	39%	36%	7%	5%
Republicans	5%	21%	4%	5%
Regulators	13%	9%	29%	8%
Mortgage lenders	33%	8%	5%	8%
Wall street	6%	16%	24%	41%
Banks	5%	10%	31%	33%

	Period 1 (08/07 - 08/08)	Period 2 (09/08 - 03/09)	Period 3 (04/09 - 03/10)	Period 4 (04/10 - 06/10)
Obama administration	0%	14%	15%	7%
Democrats	0%	18%	8%	7%
Regulators	15%	13%	54%	0%
Fannie / Freddie	8%	16%	12%	71%
Mortgage lenders	50%	8%	4%	7%
Wall street	27%	32%	8%	7%

Table 5: Top 6 targets of blame, Whole dataset, Periods 2a and 2b

Period 2a (09/01/08 - 11/03/08) (N = 717)		Period 2b (11/04/08 - 03/31/09) (N= 566)	
Wall street	19%	Banks	25%
Banks	19%	Regulators	23%
Regulators	18%	Wall street	16%
Bush administration	18%	Funds / Investors	13%
Fannie / Freddie	14%	Mortgage lenders	13%
Washington	12%	Bush administration	11%