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Too Big Not to Fail: United States Corporate Media and the 2008 Financial Crisis

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TOO BIG *NOT* TO FAIL:
UNITED STATES CORPORATE MEDIA AND THE 2008 FINANCIAL CRISIS

TOO BIG *NOT* TO FAIL:
UNITED STATES CORPORATE MEDIA AND THE 2008 FINANCIAL CRISIS

A thesis submitted in partial fulfillment
of the requirements for the degree of
Master of Arts in Communication

By

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University of Sioux Falls
Bachelor of Arts in Media Studies, 2009

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ABSTRACT

This thesis investigates United States newspaper coverage of the 2008 financial crisis, with a particular focus on the debate that took place in press coverage surrounding the proposed 700 billion dollar Troubled Asset Relief Program (TARP). Specifically, this study aims to understand how, when faced with a crisis that threatened hegemony, the state and economic elites, working in and through media, were able to effectively convince the subordinate classes to consent to state intervention aimed at perpetuating a financial system that has historically profited from the relative financial insecurity of the subordinate classes. In order to understand media's role in the TARP debate, this study first examines how media interpretations contribute to the construction of social reality. In particular, the study is concerned with how the press is both influenced by and also supports dominant ideology.

Through an understanding of media as an ideological state apparatus, this study argues that news frames constructed by journalists in press coverage of the 2008 financial crisis worked to reinforce the status quo. This is not to insist that media reinforced dominant ideology out of inherent bias or conspiracy, but instead to suggest that due to routine journalistic norms and the fact that news operates within previously established ideological constraints, the need for government intervention in the capitalist economic system was unquestioned in newspaper accounts. Ultimately, the state and economic elites, working in and through media, incorporated populist rhetoric to establish a national consensus that *something* needed to be done in order to avoid a total collapse of the capitalist system and American way of life. Consequently, this thesis argues that in the fall of 2008, in response to a hegemonic crisis, capitalism was re-naturalized as a vital form of social stability and as the natural order of things, and thus hegemony was restored.

This thesis is approved for recommendation
to the Graduate Council.

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TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	CHAPTER 1: MEDIA AND THE CONSTRUCTION OF REALITY	3
III.	CHAPTER 2: REINFORCEMENT OF THE STATUS QUO	28
IV.	CONCLUSION	70
V.	BIBLIOGRAPHY	75

INTRODUCTION

Some cultural studies scholars have called for a return to political analysis within studies of culture in order to better comprehend the structure of domination used to repress the subordinate classes, rather than simply studying ways that the oppressed may oppositionally respond to dominant ideology through the reappropriation of cultural texts.¹ As noted cultural studies scholar Stuart Hall explains, “I think the question of the politics of culture or the culture of politics is somewhere close to this notion, of what is at the centre of cultural studies.”² Thus, rather than simply attempting to showcase how subjugated masses may reappropriate cultural texts produced by the dominant class as some sort of discursive resistance, this thesis aims to understand how cultural meaning is produced in a democratic society, and perhaps more importantly, how that politicized meaning becomes recognized as a form of naturalized narratives.

The goal of this thesis is to follow in the vein of traditional British cultural studies by focusing on the political aspect of culture. Situated, then, at the center of cultural studies as Hall explains it, this study examines media texts produced in the United States during the economic crisis that arose in the fall of 2008. Specifically, this thesis examines press coverage centered on the U.S. government’s 700 billion dollar proposal designed to prevent a potential collapse of the capitalist economic system. As a consequence of this government intervention, rather than the

¹ For example, see Nicholas Garnham, “Political Economy and Cultural Studies: Reconciliation or Divorce?,” *Critical Studies in Mass Communication* 12, no. 1 (1995): 62-71.; Jeremy Gilbert, *Anticapitalism and Culture: Radical Theory and Popular Politics* (Oxford: Berg, 2008).

² Kuan-Hsing Chen, “Cultural Studies and the Politics of Internationalization: An Interview With Stuart Hall,” in *Stuart Hall: Critical Dialogues in Cultural Studies*, eds. Kuan-Hsing Chen and David Morley (Oxford: Blackwell Publishing, 2008), 396.

2008 financial crisis presenting an opportunity to bring about significant social change, it reinforced the status quo.

Therefore, this thesis investigates how the state and economic elites, working in and through media, were able to effectively convince the subordinate classes to consent to state intervention aimed at perpetuating a financial system that has historically profited from the relative financial insecurity of the subordinate classes. While this study is situated as a response to the call for cultural studies to return to political analysis in order to more effectively understand and resist the hegemony of the state and economic elites, this study also incorporates media and cultural theory in order to accomplish this goal.

The first chapter focuses on understanding the way in which media contribute to the construction of social reality. In addition, through a study of literature on news production, in particular its role in meaning construction and hierarchies of power, the study attempts to understand how media is both influenced by and ultimately reinforces dominant ideology. The second chapter begins with a historical analysis in order to understand the origins of the 2008 financial crisis. In particular, an examination of the ideological recuperation following the attacks perpetrated on September 11, 2001, is used to link the crises ideologically, as well as economically. Finally, the chapter concludes with a framing analysis in order to understand the ideological functions of the state and the press in eventually securing hegemony when challenged by an ideological rupture that severely threatened hegemonic dominance.

CHAPTER 1: MEDIA AND THE CONSTRUCTION OF REALITY

Mass media, specifically news media, play an integral role in the formation of meaning and the construction of reality. News media, in their role as “the pre-eminent story-tellers of modern society,”³ help create a “manufactured world” for the citizenry of a given society.⁴ Through their symbolic capacity, news media identify, translate, and define daily events in an effort to “orchestrate everyday consciousness” of individual citizens.⁵ It is precisely through the establishment of a common “consciousness” of individual citizens that media contribute to the construction of a social reality. As social policy scholar Deborah A. Stone writes, “Facts do not exist independent of interpretive lenses . . . they come clothed in words and numbers,” and therefore “most of our knowledge and ideas about the world come not from direct observation but from social knowledge, from the accumulation and presentation of observations and beliefs.”⁶ News media hold a unique position in relation to the development of this social knowledge, as the specific function of journalists is to gather and present their observations and interpretations of those observations to the public. Thus, media outlets hold an immense amount of influence and power through their ability to provide a definitive meaning of events and then relay to audiences that interpretation, which then effectively becomes the social knowledge Stone described. This is not to suggest that media are the only, or even the main apparatus for socially constructing reality.⁷ However, because news media outlets act as a main symbolic

³ Stuart Allan, “The Cultural Politics of News Discourse,” in *Cultural Studies: An Anthology*, ed. Michael Ryan (Oxford: Blackwell Publishing, 2008), 936.

⁴ Todd Gitlin, *The Whole World is Watching: Mass Media in the Making and Unmaking of the New Left* (Berkeley: University of California Press, 1980), 1.

⁵ *Ibid.*, 2.

⁶ Deborah A. Stone, *Policy Paradox and Political Reason* (New York: HarperCollins, 1988), 253-254.

⁷ Stone contends that a number of social institutions exist beyond news media whose main purpose is finding and reporting facts. These institutions, she suggests, include, but are not

venue through which various groups struggle to define and construct social reality, media play a vital role in establishing a seemingly natural explanation for events otherwise unfamiliar or problematic in relation to established understandings of the world.⁸ Thus, the power of news media organizations derives from their collective ability to purport a common existence and establish popularly held beliefs.

However, due to a number of factors discussed later in this study, journalists are not the sole determiners of which issues or events become news. Because of the potential power and influence news media possess, news becomes a battleground for competing groups attempting to either alter the dominant understanding of reality, or reinforce the status quo. As media scholar Regina Lawrence explains, “News is best viewed as a product of (unequal) struggle among competing news sources who often press competing politically charged claims about issues and events.”⁹ Consequently, the production of news is not an objective process, as “the media do not simply and transparently report events which are ‘naturally’ newsworthy *in themselves*.”¹⁰ Instead, media subjectively determine which events are important, as well as which events are better left out of public scrutiny. In addition, media accounts define the events they deem important and attribute cause in problematic situations.¹¹ All of these subjective processes lend agency to news media in the establishment of dominant meanings. As Hall and his colleagues explain:

If the world is not to be represented as a jumble of random and chaotic events, then they must be identified (i.e. named, defined, related to other events know to the audience), and

limited to, legislatures, courts, government agencies, research centers, and universities. See Deborah A. Stone, *Policy Paradox*.

⁸ See Regina G. Lawrence, *Politics of Force: Media and the Construction of Police Brutality* (Berkeley: University of California Press, 2000).

⁹ *Ibid*, 6.

¹⁰ Stuart Hall et al., *Policing the Crisis* (New York: Palgrave Macmillan, 1978), 53.

¹¹ *Ibid*.

assigned to a social context (i.e. placed within a frame of meanings familiar to the audience). This process—identification and contextualization—is one of the most important through which events are ‘made to mean’ by the media.¹²

To define or prescribe meaning is to exercise power. Therefore, perceived control over chaotic events is not only important to news organizations attempting to contextualize such events, but equally important for individuals and organizations attempting to alter or sustain existing power structures. People have a deep-seated desire for order, as Deborah A. Stone explains, and thus, “policy makers often create the illusion of control where there is none.”¹³ As a consequence, decisions made by news organizations about what events constitute news often coincides with pressure from competing individuals and organizations, with each attempting to gain influence over the social construction of meaning, and ultimately, reality.

This struggle to impact the news making process is not an equal one, as Lawrence makes clear. For a multitude of reasons, news favors elite members of society. As sociologist Herbert J. Gans explains, “The news especially values the order of the upper-class and the upper-middle-class sectors of society,” and “is also generally supportive of governments and their agencies, private enterprise, the prestigious professions, and a variety of other national institutions, including the quality universities.”¹⁴ While journalists and news media in general tend to favor those in positions of power, this is not understood in a conspiratorial sense, but instead, due in large part to routine news practices.

News events often do not occur as random, unpredictable events. In fact, “routine news events” rather than “accidental news events” largely dominate news.¹⁵ Consequently, the process

¹² *Ibid*, 54.

¹³ Stone, *Policy Paradox*, 115.

¹⁴ Herbert J. Gans, *Deciding What's News: A Study of CBS Evening News, NBC Nightly News, Newsweek, and Time* (New York: Vintage Books, 1980), 61.

¹⁵ Lawrence, *Politics of Force*, 7.

of creating news depends on a combination of professional journalistic norms and practices, including: individual news judgment, news-gathering processes, economic factors, and time constraints.¹⁶ All of these norms and practices influence news production in different ways, but in general, work to provide power to elites and marginalize unofficial or “unknown” sources who rarely have the ability to participate in, or influence, news discourse.¹⁷ Yet, times of crisis empower alternative opinions and viewpoints, because official news sources are not able to provide contextual meaning for an “accidental news event” prior to media publication.

The 2008 economic crisis was such an event. Therefore, this study contends that newspaper coverage of the economic debate in the fall of 2008 served as an “arena of struggle over the meaning of events, the existence of problems, and the search for solutions.”¹⁸ However, as Lawrence explains, even in the case of “accidental news events,” journalists rely on the same routine news-gathering practices, and therefore present elites “privileged access to the media arena,” through which “officials can often take advantage of these news routines to authoritatively define accidental events and so to ‘contain’ their meaning.”¹⁹ Therefore, an analysis of newspaper debates about economic difficulties faced by the U.S. in the fall of 2008 is best contextualized through a study of literature on news production, in particular its role in meaning construction and hierarchies of power.

Media as Subject

¹⁶ Steven Livingston and W. Lance Bennett, “Gatekeeping, Indexing, and Live-Event News: Is Technology Altering the Construction of News?” *Political Communication* 20 (2003): 368.

¹⁷ Lawrence, *Politics of Force*, 6.

¹⁸ *Ibid.*, 8.

¹⁹ *Ibid.*, 7.

Journalists and news editors identify and provide meaning to the numerous disparate events, defining what is “newsworthy,” relying upon others to assist them in determining the contextual framework with which to fit the occurrences. In their pursuit of neutrality, journalists defer to official sources, often allowing these sources to establish a primary definition for newsworthy events or issues.²⁰ Journalists engage what they view as authoritative sources, however in often limited ways, meaning they “find it easiest to make contact with sources similar to them in class position, as well as race, age, and other characteristics; they encounter the same communication problems, fears, and hostility as do other professionals when dealing with poor people.”²¹ While it may not be a deliberate attempt on the part of journalists to influence how an issue or event is understood, the use of limited sources no doubt ends up contributing to the concentration of an issue or an event’s potential meanings, as the perspectives gained are restricted by the social positions of the sources. Thus, media organizations create a dominant norm that contributes to the stagnation of established power hierarchies.

The relationship between journalists and their sources is even more precarious in situations in which journalists rely upon sources for information concerning important corporations or political institutions. Due to practical considerations and deadlines, news outlets have developed professional processes for gathering news. Reporters are assigned to news “beats,” which are expected to produce a reliable flow of potentially newsworthy stories and provide journalist with narrowed spheres of experience and expertise. These beats can range from local institutions like city hall to institutions of national importance, such as Wall Street or The White House.²² Through these assignments, reporters form long-term relationships with

²⁰ *Ibid.*, 5.

²¹ Gans. *Deciding What's News*, 125.

²² *Ibid.*

potential sources inside the institutions and rely on these sources for information. As a result, building rapport with quality sources is a highly competitive activity between rival journalists, as “the higher the status of sources and the greater their positions, the higher the status of the reporters.”²³ Of course, this breeds conflicts of interest, as sources begin to acquire leverage over journalists who become reliant upon sources in order to produce news stories and advance their own careers.

The power gained by sources may manifest itself in different ways in the news making process. In some instances, sources may refuse to comment or provide future information in an effort to punish journalists for publishing stories that may damage personal reputations or the reputations of the organizations for which they are employed. Often this may lead the journalists to withhold damaging information they discover about sources, for “it is very difficult to call authorities on whom one depends for daily news liars, even if they tell whoppers.”²⁴

Journalists are not completely powerless in this situation, however, because the relationship between source and journalist is a symbiotic one. Sources often desire access to journalists in order to present certain advantageous facts, or to “spin” a story in an attempt to influence public opinion in their favor. This back and forth relationship, which sociologist Herbert J. Gans likens to a dance, is a delicate attempt by both parties to position themselves in such a way as to not lose importance in relation to one another, for “sources seek access to journalists, and journalists seek access to sources.”²⁵ An equality of position is rarely acquired on the part of the journalist, however, as “although it takes two to tango . . . more often than not, the

²³ Gaye Tuchman, *Making News: A Study in the Construction of Reality* (New York: The Free Press, 1978), 69.

²⁴ Edward S. Herman and Noam Chomsky, *Manufacturing Consent: The Political Economy of Mass Media* (New York: Pantheon Books, 2002), 22.

²⁵ Gans, *Deciding What's News*, 116.

sources do the leading."²⁶ Consequently, in situations where sources dictate which stories are newsworthy and how issues are framed, journalists fail to produce objective news stories for public good, and instead, serve as mouthpieces for the powerful sources. As Lawrence argues, "'Objectivity' thus becomes reporting 'what happened' in a way that is least likely to be criticized by those in power."²⁷

The often-subservient role of journalists and news outlets in relation to powerful sources and organizations becomes even more apparent when news production is analyzed in a broader organizational sense. Again, to be clear, the subordinate position of media organizations and personnel is not necessarily due to conspiracy, but rather, largely engendered through practical news production considerations and results from the structure of modern news organizations. First and foremost is the fact that news organizations are in constant need of new stories. Editors and producers must fill column space or airtime, regardless of whether anything truly newsworthy occurs on a day-to-day basis.²⁸ In turn, media organizations rely on people or organizations in positions of power to satiate the constant need for news. As scholars Edward S. Herman and Noam Chomsky explain:

To consolidate their preeminent position as sources, government and business-news promoters go to great pains to make things easy for news organizations. They provide the media organizations with facilities in which to gather; they give journalists advance copies of speeches and forthcoming reports; they schedule press conferences at hours well-g geared to news deadlines; they write press releases in usable language; and they carefully organize their press conferences and 'photo opportunity' sessions.²⁹

Therefore, even if individual journalists have relative autonomy in their routine reporting activities like covering breaking news stories or conducting investigative reports, a large portion

²⁶ *Ibid*, 67.

²⁷ Lawrence, *Politics of Force*, 53.

²⁸ See Tuchman, *Making News*.

²⁹ Herman and Chomsky, *Manufacturing Consent*. 22.

of the content necessary for daily news production relies upon people in positions of power. Hence, decisions about which events are newsworthy and how those events are framed are made with the interests of powerful people and organizations in mind.³⁰ As Hall and his colleagues suggest, “the media come in fact, in the ‘last instance’, to *reproduce the definitions of the powerful*, without being, in a simple sense, in their pay.”³¹ This is, in a large sense, a more effective way for the powerful to exert their influence than direct compulsion.

While news media may “reproduce definitions of the powerful” without being in their direct pay as Hall and his colleagues suggest, at the same time it would be naive to ignore the economic considerations of news production. Media corporations are capitalist entities. As such, their survival is tied to producing profits. To note that media organizations are capitalist corporations, however, is not necessarily to argue that corporate overlords influence the selection and subsequent presentation of each individual news story. Instead, the influence of capitalism is much more subtle. A corporate ethos within news media operates not through direct conspiratorial restrictions, but rather through an economic model geared toward increasing profits. As media scholar Robert W. McChesney argues, media corporations have developed two proven methods to increase profitability: laying off as many reporters as possible and concentrating on inexpensive and easy to cover stories.³² The two methods work together to limit the practice of investigative journalism and at the same time proliferate entertainment stories, such as celebrity lifestyle pieces, court cases, crime stories, or other daily accounts of spectacle.³³ This process effectively depoliticizes news content on a macro level, but at the same time is not

³⁰ *Ibid.*

³¹ Hall et al., *Policing the Crisis*, 57.

³² Robert W. McChesney, *Rich Media, Poor Democracy: Communication Politics in Dubious Times* (Urbana: University of Illinois Press, 1999), 54.

³³ *Ibid.*

simply a conspiracy in which powerful political or corporate institutions purposefully avoid the publication of news stories critical of capitalism or the state. Moreover, because this model of news production is effective economically, media corporations are able to claim they are not in the business of framing the news to reflect a particular agenda, but merely produce what audiences want. However, this populist line of reasoning places too much power in the hands of the audience in determining media offerings, as “the public is not sovereign over the media—the owners and managers, seeking ads, decide what is to be offered.”³⁴ Clearly people are not given a choice in which media content they would like delivered to them. While an array of media format and content choices exist, the range of production and financial conventions necessarily limits the final product offerings. Therefore, the financial argument loses credence because no alternative to the economic structure of news media exists. Even publicly subsidized media outlets have largely depoliticized their content, because “openly antagonizing the powers that be often produces swift and severe retribution,” and thus, “many public broadcasting systems either become extremely careful about upsetting those in economic and political power or else keep criticism within relatively narrow boundaries.”³⁵ Thus, economic values provide yet another mechanism to constrict the selection of potential stories available to the public.

All of the divergent influences and obstacles journalists encounter during the news production process greatly shape the final news product. As described above, due to the power possessed by media outlets, news becomes a battleground for competing interests to attempt to define events and social issues. Moreover, because news media definitions create a common understanding of events or issues for a large majority of the population, the individuals and institutions that are able to influence journalists and media outlets become what Stuart Hall and

³⁴ Herman and Chomsky, *Manufacturing Consent*, xix.

³⁵ McChesney, *Rich Media*, 243.

his colleagues refer to as “primary definers.”³⁶ The various factors that reduce journalists to subordinate positions in the production of news allow primary definers to establish initial interpretations and definitions for news topics, and thus create a framework that limits further discussion of topics by ensuring that any future debate must refer back to the initial definitions as a starting-point. As Hall and his colleagues explain, “Effectively, then, the primary definition *sets the limit* for all subsequent discussion by *framing what the problem is*.”³⁷ This ability to control meaning and constrict potential understanding of issues and events is of particular interest in this study because of the nature of the 2008 economic situation. Monetary issues tend to receive little press attention and any negative consequences of decisions made in regard to monetary policy are usually attributed to market forces, therefore the economic circumstances in 2008 makes it a relatively unique event. The immense amount of money requested in the proposed relief program, however, simply made it impossible for the press to overlook. Thus, in order to overcome any potential popular objections, connecting the sizable proposal to the everyday well being of the citizenry became critically important. Media accounts of the situation became the predominant way to problematize the situation for regular citizens.³⁸

News Frames

Much of the news production process discussed above focused on how news stories, for various reasons, provide limited accounts of news events. By choosing which events are newsworthy and which aspects of those events deserve analytic scrutiny, media work to “frame”

³⁶ Hall et al., *Policing the Crisis*, 58.

³⁷ *Ibid*, 59.

³⁸ For more on the social construction of problems, and specifically rationalizing monetary policy and issues not subjected to public vote, see Murray Edelman. *Constructing the Political Spectacle* (Chicago: The University of Chicago Press, 1988).

information pertaining to those events and instill a common understanding of them for a majority of people.³⁹ According to communication scholar Robert M. Entman, “To frame is to select some aspects of a perceived reality and make them more salient in a communicating text, in such a way as to promote a particular problem definition, causal interpretation, moral evaluation, and/or treatment recommendation for the item described.”⁴⁰ This process relies on culturally understood “maps of meaning” or extant schemas to make issues salient for the anticipated news consumers. These preexisting meaning structures allow journalists to identify and contextualize new or unprecedented events in relation to the categorizations already socially understood.⁴¹ The framing process is fundamental to news production because, as Gitlin explains, “Frames enable journalists to produce large amounts of information quickly and routinely: to recognize it as information, to assign it to cognitive categories, and to package it for efficient relay to their audiences.”⁴² Thus, for practical production reasons alone, many media scholars contend that media frames are unavoidable.⁴³

While frames may appear natural, they do not develop in an organic or neutral way, but instead are shaped by actors struggling to define or prescribe meaning to an issue or event. Consequently, because the use of frames seems so natural and their use is often “unnoticed and implicit,” as communication scholar Baldwin Van Gorp argues, frames may be “regarded as a

³⁹ See Robert M. Entman, “Framing: Toward Clarification of a Fractured Paradigm,” *Journal of Communication* 43 (1993): 51-58.

⁴⁰ *Ibid.*, 52.

⁴¹ See Dietram A. Scheufele, “Framing as a Theory of Media Effects,” *Journal of Communication* 49 (1999): 103-122.

⁴² Gitlin, *The Whole World is Watching*, 7.

⁴³ See, for example Tuchman, *Making News*; Gitlin, *The Whole World is Watching*; and Dietram A. Scheufele, “Framing as Theory.”

power mechanism in their own right.”⁴⁴ Thus, the way in which media definitions are naturalized through news frames makes the framing process an important tool for people or groups attempting to shape those definitions. As Entman argues, “the frame in a news text is really the imprint of power—it registers the identity of actors or interest that competed to dominate the text.”⁴⁵ Hence, frames offer a particularly valuable insight into the battle to control meaning through news, in particular if it is possible to identify the individual or institution that established the winning frame, or the primary definition in the news.

The power of news frames, however, is not limited to the production of meaning by defining or interpreting causality for particular events or issues. A large amount of the power stems from a frame’s ability to preclude certain aspects of events or issues from entering the news. Much like a photographer determining which features of reality are worthy of a delineating submission to the confines of the photographic lens, the news journalist must also determine which aspects of a story are of particular import to be included in the limited column space allotted a given newspaper article. Consequently, in addition to excluding certain events or issues from media scrutiny altogether, news frames often limit the potential debate over a given topic by leaving out certain aspects of a story. As Entman explains, “Most frames are defined by what they omit as well as include, and the omissions of potential problem definitions, explanations, evaluations, and recommendations may be as critical as the inclusions in guiding the audience.”⁴⁶ Thus, the analysis of media frames in this study is not limited to how the 2008 financial crisis was identified, evaluated, and how blame was attributed, but also focuses on what was omitted from media accounts of the economic situation due to the constricting nature of

⁴⁴ Baldwin Van Gorp, “The Constructionist Approach to Framing: Bringing Culture Back In,” *Journal of Communication* 57 (2007): 63.

⁴⁵ Entman, “Framing: Toward Clarification,” 55.

⁴⁶ *Ibid.* 54.

news frames. Critically analyzing frames in this way allows for investigation of the silences and omissions as well as the power contestations that occur in the press, and thus offers insight into the functions and power of ideology to re-direct, stimulate, curtail, and produce debate. For it is clear that the overall effect of the news frame is “to help close the circle by which the definitions of the powerful become part of the taken-for-granted reality of the public by translating the unfamiliar into the familiar world.”⁴⁷ Thus, the framing process is ultimately ideological and therefore necessitates a proper understanding of ideology and its functions.

Ideology and Hegemony

Ideology is a complex concept with differing definitions depending on who is using it. According to literary critic James H. Kavanagh, the word ideology was first used by an eighteenth century French philosopher “to define a ‘science of ideas’ or ‘philosophy of mind’ that would be distinct from older metaphysical concepts.”⁴⁸ But, as Slovenian philosopher Slavoj Žižek suggests, the fundamental definition of ideology stems from Karl Marx’s *Capital, Volume I: A Critique of Political Economy*: “They do not know it, but they are doing it.”⁴⁹ This traditional definition is precisely the Marxist concept of “false consciousness,” a mechanism which makes individuals in a capitalist society unaware of the actual conditions of their existence.⁵⁰ Rather than seeing beyond their material existence, individuals in a society

⁴⁷ Hall et al., *Policing the Crisis*, 65.

⁴⁸ James H. Kavanagh, “Ideology,” in *Critical Terms for Literary Study*, eds. Frank Lentricchia and Thomas McLaughlin (Chicago: University of Chicago Press, 1990), 307.

⁴⁹ Karl Marx, *Capital, Volume I: A Critique of Political Economy* (Moscow, USSR: Progress Publishers, 1887) quoted in Slavoj Žižek, *The Sublime Object of Ideology* (New York: Verso 2008), 24.

⁵⁰ Marx himself never actually used the phrase “false consciousness.” It actually originated from the writings of his collaborator Friedrich Engels. However, it has since become associated

structured by capitalist economic relations operate through a set of illusions that naturalize their existence into an “objective” reality. As British Marxist literary theorist Terry Eagleton argues, ideology for Marx has “no other purpose than to conceal the truth of class society,” and is therefore “less an active force in the constitution of human subjectivity than a mask or screen which prevents an already constituted subject from grasping what lies in front of it.”⁵¹ However, if ideology is not a force, but instead an illusory mechanism essential to the capitalist system, then how does ideology function?

French Marxist philosopher Louis Althusser attempted to answer this question by developing the theory of Ideological State Apparatuses through which ideology is internalized in the subjects of a class society. For Althusser, these social formations serve as a mechanism of control that guide individuals in their experience of the world in which they live. According to Althusser, “Ideology appears as a certain ‘*representation of the world*’ which relates men and women to their conditions of existence, and to each other, in the division of their tasks and the equality or inequality of their lot.”⁵² Ideology, in this sense, does not work by simply duping the subordinate class into accepting their position of domination, but rather it has “a double usage: it works on the consciousness of the exploited to make them accept their condition as ‘natural’; it also works on the consciousness of members of the of the dominant class to allow them to exercise their exploitation and domination as ‘natural.’”⁵³ It is here that Althusser’s Ideological State Apparatuses are understood to act as concrete ideological mechanisms whose primary function is to maintain and reproduce the relations of production and exploitation by convincing

with various Marxist philosophies. For more, see Terry Eagleton, *Ideology* (New York: Verso, 1991).

⁵¹ Eagleton, *Ideology*, 88.

⁵² Louis Althusser, “Ideology,” in *Culture Studies: An Anthology*, ed. Michael Ryan (Malden, MA: Blackwell Publishing, 2008), 305.

⁵³ *Ibid.* 308.

those oppressed by the system to accept their roles as natural and inevitable. Thus, Althusser argues the ruling class is able to maintain its dominant position by “ideological inculcation and transmission” through institutionalized power in organizations considered to be separate and objective, such as churches, schools, museums, and media organizations.⁵⁴

This works, according to Althusser, through a process of interpellation or hailing in which individual subjects gain “consciousness” by recognizing themselves as subjects of ideological functions. As Althusser explains, “Ideology ‘acts’ or ‘functions’ in such a way that it ‘recruits’ subjects among the individuals (it recruits them all), or ‘transforms’ the individuals into subjects (it transforms them all) by the very precise operation which I have called *interpellation* or hailing, and which can be imagined along the lines of the most commonplace everyday police (or other) hailing: ‘Hey, you there!’”⁵⁵ This hailing naturalizes the everyday functions of ideology for those subjected to it by convincing them that the reality they recognize is obviously and unquestionably the way things naturally are (and should be). As Althusser writes, “They ‘recognize’ the existing state of affairs (*das Bestehende*), that ‘it really is true that it is so and not otherwise.’”⁵⁶ Consequently, those oppressed by the ruling ideology come to believe that by (freely) acting as subjects within the natural order of things they in effect gain “consciousness” or a sense of meaning in their everyday lived experience. Of course, this recognition is actually *misrecognition* and the subject is only free in so much as they “freely accept their subjection,” to the ruling ideology, or the “big” Subject.⁵⁷

⁵⁴ Nicos Poulantzas, “The Problem of the Capitalist State,” in *The Poulantzas Reader*, ed. James Martin (New York: Verso, 2008), 183.

⁵⁵ Louis Althusser, *Lenin and Philosophy and Other Essays* (New York: Monthly Review Press, 1971), 174.

⁵⁶ *Ibid.*, 181.

⁵⁷ Althusser uses a religious example to describe God as the “Subject *par excellence*” who occupies “the unique place of the Centre, and interpellates around it the infinity of individuals

Althusser's sophisticated theory of Ideological State Apparatuses certainly advances ideology beyond the strict economic determinism for which Marx's ideology has been criticized. However, the process of interpellation or hailing that Althusser proposes is not without its problems. For Althusser subjects are unable to avoid the hailing process, as he explains. "Experience shows that the practical telecommunication of hailings is such they hardly ever miss their man: verbal call or whistle, the one hailed always recognizes that it is really him who is being hailed."⁵⁸ Hence, Althusser seems to believe the process is automatic or practically flawless. If not, he fails to explain what happens if one does not recognize his or herself as a subject. This failure to account for unsuccessful interpellation is, according to Eagleton, a product of a crucial misreading of psychoanalytic philosopher Jacques Lacan. As Eagleton explains:

How can I know for sure it is *I* who am being hailed, whether the Subject has identified me alright? And since for Lacan, I can never be fully present as 'whole subject' in any of my responses, how can my accession to being interpellated be taken as 'authentic'? . . . In seeking the recognition of the Other, I am led by this very desire to misrecognize it, grasping it in the imaginary mode; so the fact that there is desire at work here—a fact which Althusser overlooks—means that I can never quite grasp the Subject and its call as they really are, just as it can never know whether I have 'truly' responded to its invocation.⁵⁹

Žižek corrects this flaw in Althusser's ideological theory while remaining, in a sense, aligned with the Marxist tradition. For Žižek, ideological interpellation never fully succeeds, but instead "there is always a residue, a stain of traumatic irrationality and senselessness sticking to it and that this *leftover, far from hindering the full submission of the subject to the ideological*

into subjects in around it the infinity of individuals into subjects in a double mirror-connexion such that it *subjects* the subjects to the Subject." Althusser, however, suggests that all ideology works the same and in that case, the Subject is actually the Ideological State Apparatus which occupies its unique position at an ideological Centre and interpellates its subjects through whichever apparatus or form is required to ensure subjection. See *Ibid*, 179.

⁵⁸ *Ibid*, 174.

⁵⁹ Eagleton, *Ideology*. 145.

command. is the very condition of it: it is precisely this non-integrated surplus of senseless traumatism which confers on the Law its unconditional authority.”⁶⁰ The trauma experienced is understood as an effect of Lacan’s idea of *the real*, which, according to Lacanian scholar Sean Homer, is “that which is beyond the symbolic and the imaginary and acts as a limit to both.”⁶¹ In other words, the real exists beyond our socially constructed reality. It supports this constructed reality, as symbolic reality could not exist without it, yet it also disrupts this reality. The disruption caused by the real is a consequence of the desire it engenders. As Homer explains, the real “is not an object, a thing, but something that is repressed and functions unconsciously, intruding into our symbolic reality in the form of need.”⁶² Symbolic reality thus acts to represses the trauma experienced by the intrusion of the real through a rationalization and appellation process in which trauma is naturally accounted for and can therefore be understood in symbolic terms.

Althusser was correct to identify the role of ideology in the naturalization process, however, ideology, as Žižek suggests, is not completely successful at interpellating and hailing subjects. Instead, individuals subjected to symbolic reality “always have the sense that there is something more,” but this sense, rather than working against the ideological process, actually strengthens it.⁶³ As a result, the ideological process does not create a comprehensive *misrecognition* of the means of production that serve as the foundation for the constructed reality, but instead, the constructed reality provides individuals with a way to cope with the trauma created by reality’s inability to fully suppress the real, as well as an outlet to attempt to fulfill the need created by the real. As indicated in Žižek’s explanation of “senseless traumatism”

⁶⁰ Žižek, *The Sublime Object of Ideology*, 43.

⁶¹ Sean Homer, *Jacques Lacan* (New York: Routledge, 2005), 83.

⁶² *Ibid.* 82.

⁶³ *Ibid.* 90.

above. the desire created by the real can never be sated. because, as Homer explains, “The real can never be completely absorbed into the symbolic reality,” and consequently, “there is always a core of the real that is missing from the symbolic and all other representations, images and signifiers are no more than attempts to fill this void.”⁶⁴ Thus, individuals seek to fill the void or gap by subjecting themselves to symbolic reality in the hope of fulfilling the constant desire created by the “residue” left over by the real. It is not the illusion itself that convinces people to subject themselves to the dominant ideology, but rather the residual desire that is created by the inability of the illusion to thoroughly repress the real. Consequently, what Althusser fails to account for is the fact that ideology is not found on the side of knowledge, but on the side of reality itself. As Žižek explains:

What they overlook, what they misrecognize, is not the reality but the illusion which is structuring their reality, their real social activity. They know very well how things really are, but still they are doing it as if they did not know. The illusion is therefore double: it consists in overlooking the illusion which is structuring our real, effective relationship to reality. And this overlooked, unconscious illusion is what may be called *ideological fantasy*.⁶⁵

For Žižek, this form of ideology works precisely because people find enjoyment, or what he terms “*jouissance*,” in the illusion itself.⁶⁶ Thus, ideology is not an illusion constructed in order for people to escape reality, but instead ideology works to provide a constructed reality as a way in which people are able to find enjoyment and escape the “surplus of senseless traumatism” that occurs if a subject finds oneself outside of the symbolic order.⁶⁷ Frankfurt School theorist Herbert Marcuse describes the mental process, although not in Žižek’s terms:

⁶⁴ *Ibid.* 84.

⁶⁵ Žižek, *The Sublime Object of Ideology*, 30.

⁶⁶ *Ibid.* 73.

⁶⁷ For more on the “surplus of senseless traumatism” or the Real of a subject’s desire, see Jacques Lacan, *The Four Fundamental Concepts of Psychoanalysis* (New York: W.W. Norton & Company, 1998); Žižek, *The Sublime Object of Ideology*.

If the individuals are satisfied to the point of happiness with the goods and services handed down to them by the administration, why should they insist on different institutions for a different production of different goods and services? And if the individuals are pre-conditioned so that the satisfying goods also include thoughts, feelings, aspirations, why should they wish to think, feel, and imagine for themselves? True, the material and mental commodities offered may be bad, wasteful, rubbish—but *Geist* and knowledge are no telling arguments against satisfaction of needs.⁶⁸

Accordingly, individuals in modern society may very well realize that they are subservient to a dominant class—or to the state—and that only through a complex illusion does this society appear “natural.”

Even if subordinated individuals recognize their position in society as unnatural, they balk at this knowledge, and instead continue to function as if they were unaware. This is the role of ideology that sociologist Dorothy E. Smith recognized when she attempted to distinguish analytically between knowledge and ideology. For Smith, “Ideology as contrasted with knowledge identifies . . . *the interested procedures which people use as a means not to know.*”⁶⁹ So, rather than the traditional conception of ideology as an illusion in which individuals were all duped through the creation of “misrecognition” or a “false knowledge,” in this way ideology serves as means to convince people that, although they may realize that they live in a society which is a constructed reality, this reality is the source of their enjoyment—their *jouissance*—and to seek knowledge beyond the artificial reality would effectively eradicate the source of their enjoyment.

Thus, ideology works conterminously with the framing process outlined above. For if the framing process in news production serves to naturalize the world in which citizens live by narrowing the potential understanding of reality to fit within the framework of preexisting powerful conceptions of the world, so too, does ideology work to naturalize the world for

⁶⁸ Herbert Marcuse, *One-Dimensional Man* (Boston: Beacon Press, 1991), 50.

⁶⁹ Dorothy E. Smith, “The Ideological Practice of Sociology,” *Catalyst* 8 (1974): 368.

subordinated citizens by presenting an illusory reality in order to serve the ideology of the dominant class. In this context the news framing process may be read as an ideological mechanism which reinforces the status quo by “limiting inquiry—by closing off the possibilities of an analytic examination of social life.”⁷⁰ In the complex process described above, it is clear ideology always already establishes a limited conception of reality from which members of the press are forced to draw when producing news stories. In addition, the journalistic ethic of neutrality provides people or groups with particular political interests the ability to influence how an issue or event is framed in media. Finally, if people have an innate desire for order as Stone contends, and find enjoyment in the socially constructed reality that establishes them as subjects, framing random or chaotic events in ways that contradict the established common sense of everyday existence could prove incomprehensible or unsettling and is therefore avoided. Thus, news not only operates within previously established ideological constraints, but also reinforces ideology by framing events in such a way as to legitimate authoritative social control. Consequently, by “preventing an analytic understanding through which social actors can work to understand their own fate,” news frames are a crucial ideological mechanism.⁷¹

Ideology, even in this sense, is not viewed as always automatically effective in securing the means of domination. Ideology only works when people continue to buy into it, or as Hall and his colleagues suggest:

In formally democratic class societies, the exercise of power and the securing of domination ultimately depends . . . on the equation of popular consent. This is consent, not simply to the interests and purposes but also to the interpretations of social reality generated by those who control the mental, as well as the material, means of social production.⁷²

⁷⁰ Tuchman, *Making News*, 179.

⁷¹ *Ibid.* 180.

⁷² Hall et al., *Policing the Crisis*, 219.

The consent to which Hall and his colleagues refer is precisely the process of hegemony developed by Italian political theorist, activist, and prisoner Antonio Gramsci. Gramsci saw hegemony as “the ‘spontaneous consent’ given by the great masses of the population to the general direction imposed on social life by the dominant fundamental group.”⁷³ Hegemony is thus understood as a form of leadership and dominating force secured by the ruling class over the rest of society. As Gramsci’s definition indicates, however, rather than a repressive form of domination, this leadership is maintained in concert with the classes it subordinates. To maintain the appearance of consensual form of leadership, the hegemonic class always has to work to maintain its relationship to the dominated classes, and this is accomplished largely through functions of the state.

Hall and his colleagues argue that the consensus generated through ideology is the key to hegemonic domination in capitalist society, because “what consensus really means is that a particular ruling-class alliance has managed to secure through the state such a total social authority, such decisive culture and ideological leadership, over the subordinate classes that it shapes the whole direction of social life in its image.”⁷⁴ Hence, while all the apparatuses are traditionally important in the struggle for hegemony, media outlets are of particular importance because, as Gitlin argues, “the mass media have become core systems for the distribution of ideology.”⁷⁵ For example, through the framing process and professional news norms described above, the state is able to utilize its unique position as a primary definer of news events as means to maintain hegemonic dominance without the use of force. Moreover, the primary definitions established through news media often become naturalized as a socially understood common

⁷³ Antonio Gramsci, *Selections from the Prison Notebooks* (New York: International Publishers, 1971), 12.

⁷⁴ Hall et al., *Policing the Crisis*, 216.

⁷⁵ Gitlin, *The Whole World is Watching*, 2.

social knowledge, which in turn provides the “spontaneous consent” of the masses. As previously indicated, although media institutions are technically private enterprises, for various reasons they continuously reproduce dominant ideology. And since media outlets effectively establish a common reality for individuals in a society, they are especially important for maintaining hegemonic rule. Hegemony relies on the appearance of consensus, which the limited news frames produced by media are particularly adept at conveying, not necessarily out of inherent bias or coercion, but because news stories are generated out of the limited “ideological inventories of their society.”⁷⁶

However, because hegemony relies on ideology, and ideology is not always effective at maintaining consensus or a societal common sense, leadership realized through hegemony necessitates a constant struggle to preserve domination. The constant struggle is due, ultimately, to the economic inequality produced by capitalism. As a consequence of the economic factors of subordination, hegemony requires more than ideological indoctrination on behalf of the state for subordinated classes to continue to buy into the illusion. As Marxist philosopher Nicos Poulantzas explains, “The State organizes and reproduces class hegemony by establishing a variable field of compromises between the dominant and dominated classes: quite frequently, this will even involve the imposition of certain short-term material sacrifices on the dominant classes, in order that their long-term domination may be reproduced.”⁷⁷ These compromises, however, serve simply to pacify the subordinate classes and attempt to ensure that, no matter how exploited by the capitalist system they become, the subordinate classes do not lose their ability to afford basic material goods. For it is the enjoyment they get out of these commodities

⁷⁶ Stuart Hall, “The Rediscovery of ‘Ideology’: Return of the Repressed in Media Studies,” in *Culture, Society, and the Media*, eds. Michael Gurevitch, Tony Bennett, James Curran, and Janet Woollacott (London: Routledge, 1992), 72.

⁷⁷ Nicos Poulantzas, *State, Power, Socialism* (New York: Verso, 2000), 186.

that, in large part, prevents the subordinated classes from confronting the ideological illusion that constitutes their existence. It is for this reason that, as Poulantzas explains, “the state’s ‘social’ public activities correspond to the general interest of the dominant fractions which, in their entirety, benefit both from the concrete results in the production process and from the fact that these activities render the capitalist system more tolerable for the dominated classes.”⁷⁸

In the long term, however, it is the perpetuation and reproduction of capitalism that ultimately leaves hegemonic rule vulnerable. Because capitalism is an unstable economic system, as social theorist David Harvey argues, it inevitably results in crisis.⁷⁹ Hegemony is tied to the legitimation of capital, and consequently experiences the same moments of crisis. It is in these moments of crisis that oppositional forces are provided an opportunity to alter the established consensus, as Hall and his colleagues explain:

If in moments of ‘hegemony’ everything works spontaneously so as to sustain and enforce a particular form of class domination while rendering the basis of that social authority invisible through mechanisms of the production of consent, then moments when the equilibrium of consent is disturbed, or where the contending class forces are so nearly balanced that neither can achieve that sway from which a resolution to the crisis can be promulgated, are moments *when the whole basis of political leadership and cultural authority becomes exposed and contested*. When the temporary balance of the relations of class forces is upset and new forces emerge, old forces run through their *repertoires* of domination.⁸⁰

It is through this understanding of hegemonic crisis that this study aims to understand the 2008 United States financial crisis. By examining media texts produced by *The New York Times*, *The Wall Street Journal*, and *USA Today* from September 22, 2008, to October 22, 2008, this study investigates the ways these print organizations participated in the eventual stabilization of

⁷⁸ Nicos Poulantzas, “Study of Hegemony in the State.” in *The Poulantzas Reader*, ed. James Martin (New York: Verso, 2008), 119.

⁷⁹ See David Harvey, *The Enigma of Capital and the Crises of Capitalism* (Oxford: Oxford University Press, 2010).

⁸⁰ Hall et al., *Policing the Crisis*. 217.

capitalism that occurred through direct state intervention in the form of the 700 billion dollar Troubled Asset Relief Program.⁸¹ This timeframe allows for adequate historical perspective of the news articles published as the debate surrounding the economic crisis unfolded, as well as the news articles produced by the press in the immediate aftermath of the legislation's passing. The newspaper medium was chosen because it offers a detailed presentation of the day-to-day coverage of the crisis, in a more accessible format than an alternative medium such as radio or television. In addition, the organizational structure of newspapers and the way in which the beat system remains prevalent in print journalism provides continuous daily contact between reporters and their sources, which often produces a greater range of coverage than alternative news media outlets.⁸² This intimate relationship between print journalists and their sources often leads to newspapers uncovering issues prior to—and consequently acting as agenda setters for—other media. As Lawrence explains, “Premier newspapers . . . continue to provide cues to other types of news organizations about what is newsworthy,” and therefore their significance “extends beyond their own readership to the content of other news media.”⁸³

Through textual analysis, this study specifically attempts to identify the struggle for hegemony at work in print media by examining the news frames produced during the economic crisis by newspapers included in this study. This necessarily involves, as Gitlin suggests, locating “the central emphases in coverage of the [crisis], and then to reach behind them and grasp the media’s central—usually unspoken—assumptions about the political world and about political

⁸¹ For *The New York Times* and *USA Today*, pertinent articles were identified through LexisNexis “headlines/leads” searches for “economic crisis,” “TARP,” or “bailout.” For *The Wall Street Journal*, a ProQuest search was conducted using the same search terms. Articles were subsequently omitted that focused on the economic crises in countries other than the United States. Articles that appeared in multiple editions of a given newspaper were limited to the first appearance.

⁸² Lawrence, *Politics of Force*.

⁸³ *Ibid.*, 11.

opposition in particular.”⁸⁴ Hence, in this study, the specific content of the media texts are analyzed to not only uncover the conceptualizations produced by the newspaper articles, but also to identify what ideas were excluded in the framing process, and consequently spared analytical examination. It is largely because of these “strategic areas of silence” that Hall and his colleagues suggest research should “deliberately set out to ask, ‘What questions are omitted? Why do the questions—which always presuppose answers of a particular kind—so often recur in this form? Why do certain questions never appear?’”⁸⁵ Ultimately, because as Gitlin argues frames are not stable or universal and instead adjusted over time, this study organizes its findings in chronological order.⁸⁶ This accounts for changes in news frames during media coverage of the crisis and also allows for a narrative of the crisis to unfold. This strategy accesses the hegemonic struggle by identifying the “reserves of coercion and force on which the state and its legal authority finally depends.”⁸⁷

⁸⁴ Gitlin, *The Whole World is Watching*, 13.

⁸⁵ Hall et al., *Policing the Crisis*, 65.

⁸⁶ See Gitlin, *The Whole World is Watching*.

⁸⁷ Hall et al., *Policing the Crisis*, 217.

CHAPTER 2: REINFORCEMENT OF THE STATUS QUO

The gravity of the financial situation facing the United States and the capitalist system in 2008 was concretized on September 15, when one of the largest financial firms, Lehman Brothers, filed for bankruptcy and another, Merrill Lynch, was sold to Bank of America to avoid a fate similar to its peer. News of the decisions made by the executives of the two financial firms led to the largest decline of the Dow Jones industrial average since September 17, 2001, the day the stock market reopened following the events that transpired on September 11.⁸⁸ The significance of this fact should not be overlooked. On September 11, 2001, the attacks on the World Trade Center and the Pentagon left the nation in a state of collective shock. According to Žižek, as a result of the acts on September 11, “The USA was given the opportunity to realize what kind of world it was part of.”⁸⁹ Thus, the ideological illusion structuring reality was punctured, and the artificial nature of this reality was laid bare. The country, for a brief moment, ceased to function in accordance with the dominant ideology and as a consequence, the stock market tumbled as the disturbance caused by the attacks left the country in a state of peril.

The widespread fear that momentarily paralyzed the country, however, quickly found an outlet in a return to dominant ideology, as Žižek notes, “In the traumatic aftermath of September 11, when the old security seemed to be momentarily shattered, what could be more ‘natural’ than taking refuge in the innocence of a firm ideological identification?”⁹⁰ In addition to the escape traditional ideology offered the masses facing the trauma of the violent attacks, the return to reality and the “natural” order of things was of great importance for the U.S. leaders and business elites. This is not meant in a conspiratorial sense, but instead meant to point out the fact that

⁸⁸ Stephen Labaton, “Wall St. in Worst Lost Since ’01 Despite Reassurances by Bush,” *New York Times*, September 16, 2008.

⁸⁹ Slavoj Žižek, *Welcome to the Desert of the Real* (New York: Verso, 2002), 47.

⁹⁰ *Ibid.*, 45.

ideology works on the dominant class in much the same way as its subjects. Faced with the traumatic experience of losing control, with the realization of the collective impotence of the ideological fantasy through which their position is maintained, the elites also sought refuge through a return to “normal” reality. For as Althusser explains, ideology has a double usage, and this binary function of ideology not only works on the subordinated masses, but also works to effectively convince elites of the naturalness of their position.

This ideological function is clearly evidenced in a speech delivered by U.S. President George W. Bush on September 20, 2001, in which he claimed, “It is my hope that in the months and years ahead life will return almost to normal.”⁹¹ For Bush, the most important aspect of the return to normalcy for which he publicly pined necessarily involved returning to the processes of production and consumption which structure modern, and in particular, American, existence.⁹² As Frankfurt School theorists Max Horkheimer and Theodor W. Adorno explain, “Amusement always means putting this out of mind, forgetting suffering . . . it is indeed escape, but not, as it claims, escape from bad reality but from the last thought of resisting that reality.”⁹³ Thus, Bush’s advocacy for a return to normalcy served to shift focus away from the collective trauma experienced on and in the aftermath of September 11 and by extension limited any potential negative analytical critique of American foreign or economic policy that attempted to investigate the logics behind the attacks. In addition, the renormalization of capitalist functions promoted an appearance of control and thus returned power to the state and economic elites.

⁹¹ “Transcript of President Bush’s Address,” *CNN.com*, September 21, 2001. http://articles.cnn.com/2001-09-20/us/gen.bush.transcript_1__joint-session-national-anthem-citizens?_s=PM:US [accessed March, 1, 2012]

⁹² See Douglas Kellner, *Media Spectacle and the Crisis of Democracy* (Boulder, CO: Paradigm Publishers, 2005).

⁹³ Max Horkheimer and Theodor W. Adorno, *Dialectic of Enlightenment* (Stanford, CA: Stanford University Press, 2002), 116.

Another way Bush fought the overwhelming loss of control created by the September 11 attacks was to conduct retaliatory attacks in the Middle East in an effort to defeat terrorism. The plan may have been implemented with concrete objectives, but its greater impact was ideological, as Žižek argues, “The ‘war on terrorism’ . . . functions as an act whose true aim is to lull us into the falsely secure conviction that nothing has really changed.”⁹⁴ When confronted with a crisis of hegemony, the state used the fear engendered by the traumatic events of September 11 to further strengthen its ideological hold by returning a sense of security to its citizens through a display of military force.

Hegemonic dominance was not only supported by a returned sense of security, but it was also strengthened by an economic recovery from the tumultuous lows in the stock market after reopening on September 17, 2001. Increased spending on arms and technology by the U.S. government in support of the “war on terror” boosted the economy, raising the country out of recession by 2002.⁹⁵ Democratic and capitalist reality was once again naturalized. The consumption that Bush publicly appealed for following the September 11 attacks was realized—largely financed by growing household debt.⁹⁶ However, the economic policies following September 11 only exacerbated the large-scale “financialisation” of capitalism that began in 1973, consequently leading to illusory economic development as the debt to deposit ratios of

⁹⁴ Žižek, *Welcome to the Desert of the Real*, 35.

⁹⁵ See Fred Magdoff, “The Explosion of Debt and Speculation,” *Monthly Review* 58, no. 7 (1996): 1-23.

⁹⁶ Average personal consumption expenditures exceeded pre-tax income for households in the bottom sixty percent of income distribution in the United States in 2003. In addition, by the end of 2005 the unpaid balances on credit cards in the U.S. totaled \$838 billion. For more on the rise of debt during this time period, see John Bellamy Foster, “The Household Debt Bubble,” *Monthly Review* 58, no. 1 (1996): 1-11.

banks grew to as high as 30-1 by 2005.⁹⁷ As Harvey explains, “No wonder the world appeared to be awash with surplus liquidity. Surplus fictitious capital created within the banking system was absorbing the surplus!”⁹⁸ Not only was personal consumption increasingly financed by debt, but also the two largest gross private investments during the period—military expenditures and residential construction—were highly leveraged. All of this led to a veritable ticking time bomb that remained largely hidden or ignored during the economic boom and seeming prosperity that followed the brief recession engendered by the September 11 attacks.

Although the economic consequences of capitalism’s turn to “financialisation” were apparent as early as 2006⁹⁹, the contemporaneous failures of Lehman Brothers and Merrill Lynch in the fall of 2008 shocked the financial industry and by extension, the citizenry, economic elites, and government officials. Even in the face of the burgeoning housing crisis in 2007, the collapse of two of the largest and oldest financial companies in the world came as a surprise to Wall Street executives and economic “experts.” As one financial executive reacting to the news told a *USA Today* journalist, “It took my breath away; I don’t think anyone would have come up with that scenario.”¹⁰⁰ The stability of the market continued to deteriorate as the week progressed, with investors pulling money out of stocks at rapid rates. A vicious cycle developed whereby fear of the collapsing market led to the collapse of the market in a self-perpetuating downward spiral. The situation served as an ideal illustration of the irrationalities inherent to free market capitalism. As McChesney explains, “It is rational for an investor to withdraw an investment during a recession, since the chances for profit are small or nil. But if many investors take this

⁹⁷ Banks typically lend at three times the value of their deposits, theorizing that depositors will never all cash out at once. For more, see Harvey, *Enigma of Capital*.

⁹⁸ *Ibid.* 30.

⁹⁹ *Ibid.*

¹⁰⁰ See John Waggoner, “Markets in Turmoil; Investment Firms’ Fall Sends Dow Down 500, Forcing Mergers and Shaking Confidence,” *USA Today*, September 16, 2008.

same rational step. they may well turn the recession into a depression in which everyone loses out.”¹⁰¹ Faced with the likelihood of this outcome, the state and economic elites were eventually forced to take action in the form of a \$700 billion banking stimulus in order to secure their positions of power.

While the financial crisis of 2008 and the economic policies following September 11 are clearly linked, the two events are also different. On the one hand, the attacks of September 11 were perpetrated by foreign citizens and resulted in thousands of innocent deaths. The economic crisis, on the other hand, was the result of domestic economic policy and while no doubt severe in its impact, lacked the horrendous visceral imagery of the deadly attacks. However, both events ruptured the dominant ideology. In addition, the hegemonic response of state was similar in both instances. In the case of the September 11 attacks, not only did the horror of the events provide traumatic exposure to the real, but they also exposed the antagonisms of imperialist American foreign policy.¹⁰² Nevertheless, the attacks failed to alter dominant ideology, but instead reinforced it. America—not just the victims who perished in the attacks—was portrayed as a collective victim in the press. The victimization of America necessarily led to the identification of a villainous Other, the “terrorists.” This establishment of binary moralistic positions, with its mythical roots, is known in media scholarship as melodrama. As defined by media scholar Elisabeth Anker, melodrama is “a discursive practice that makes truth and justice legible by demarcating a clear boundary between right and wrong.”¹⁰³ Anker analyzed the use of melodrama in media coverage following the events of September 11, suggesting its use provided “the structuring framework for a specific contemporary American national identity that

¹⁰¹ McChesney, *Rich Media, Poor Democracy*, 144.

¹⁰² Harvey, *Enigma of Capital*.

¹⁰³ Elisabeth Anker, “Villains, Victims and Heroes: Melodrama, Media, and September 11,” *Journal of Communication* 55 (2005): 22-37.

establishes its own moral virtue through victimization and heroic restitution.”¹⁰⁴ Consequently, any fault of the U.S. government in failing to prevent the attacks or for its global policies that may have contributed to them was spared analytical critique. As Žižek points out, rather than engage in serious contemplation, the country, led by the state, “instead opted to reassert its traditional ideological commitments: out with feelings of responsibility and guilt towards the impoverished Third World, *we are the victims now!*”¹⁰⁵ Because hegemony relies heavily on the consent of the subordinated classes, the successful establishment of a collective national identity served to both obfuscate state power as well as limit potential opposition within the country, and thus solidified the hegemony of the state and economic elites.

In the case of the economic crisis in 2008, the return to normalcy following the September 11 attacks was again under threat. The practice of consumption through credit that served to constitute the ideological illusion upon which the hegemony of the state and economic elites rested upon now represented a primary obstacle to continued hegemonic domination. Therefore, the remainder of this study is focused on understanding how the 2008 financial crisis, while providing an ideological fissure with the potential to bring about significant social change, instead—much like the September 11 attacks—actually served to reinforce the status quo. Specifically, the ideological role of the press in maintaining hegemony is analyzed. However, if, as Hall suggests, hegemony “involves the ‘passage’ of a crisis from its material base in productive life through to ‘the complex spheres of the superstructures,’ it is first necessary, in order to situate the 2008 financial crisis as a “crisis of hegemony,” to begin with an account of the housing crisis that emerged in 2007.¹⁰⁶ Not only was this a crisis that materialized in the

¹⁰⁴ *Ibid*, 25.

¹⁰⁵ Žižek, *Welcome to the Desert of the Real*, 47.

¹⁰⁶ Hall et al., *Policing the Crisis*, 218.

“relations of class forces,” but also the state’s action (or inaction in this case) failed to properly resolve the situation and consequently led to the emergence of the financial crisis the following year.

The Housing Crisis

In the Spring of 2007, mortgage foreclosures were rising at rapid rates across the country. After an inconspicuous beginning in the late 1990s, during which time rising foreclosure rates were centered in low-income areas of industrial cities like Detroit and Cleveland for years prior to public scrutiny, the foreclosure epidemic moved beyond the predominantly African American neighborhoods in which it began and into white, middle class suburban areas.¹⁰⁷ It was not until this socio-economic and racial shift occurred that media and public officials began to view the rising rate of foreclosures as newsworthy. As Harvey explains, “It was only in mid-2007, when the foreclosure wave hit the white and suburban areas in the U.S. south (particularly Florida) and west (California, Arizona and Nevada), that officialdom started to take note and the mainstream press began to comment.”¹⁰⁸ News media became the primary definers of the foreclosure “wave,” and as with other accidental or event-driven news events, the coverage was “spontaneous and not managed by the officials within institutional settings.”¹⁰⁹ On January 7, 2007, a *New York Times* column, attempting to define the worsening economic situation and determine a cause for the rising rate of foreclosures, pitted risky homebuyers against greedy lenders in what would become typical of press coverage of the rising rate of foreclosures.¹¹⁰ As more and more stories of people losing their homes due to unmanageable mortgage loans

¹⁰⁷ Harvey, *Enigma of Capital*.

¹⁰⁸ *Ibid.*, 1.

¹⁰⁹ Livingston and Bennett, “Gatekeeping, Indexing, and Live-Event News,” 365.

¹¹⁰ See Bob Tedeschi, “Storm Clouds over Risky Loans,” *New York Times*, January 7, 2007.

proliferated newspaper coverage, mortgage lenders and government regulators became the targets of media scrutiny. Some articles suggested that shady lenders and predatory practices were to blame: one *USA Today* article suggested, “Minority borrowers are steered to higher-cost loans even when they qualify for cheaper products.”¹¹¹ Other journalists determined the blame ultimately belonged to the regulators, arguing, “One big culprit is the loose patchwork of federal or state regulatory agencies that failed to do their jobs.”¹¹²

On May 15, 2007, Ben Bernanke, Chairman of the Federal Reserve, delivered a speech via satellite to the Federal Reserve Bank of Atlanta’s 2007 Financial Markets Conference. In the midst of news media attempts to comprehend the situation, he described the speech as an attempt to address “the challenges that financial innovation poses for public policy and the nature of the appropriate regulatory response.”¹¹³ His arguments remained within the parameters already established by media coverage. This restriction was predictable because as Lawrence suggests, “The media establish the public symbolic terms upon which political players struggle while organizing the spectacle for their audiences with cues about the importance and legitimacy of competing players, claims, and problems.”¹¹⁴ Bernanke focused on allaying panic, arguing that “clear thinking is essential.” In addition, he avoided directly attributing blame, but instead ambiguously suggested, “The rapid pace of financial innovation creates challenges for policymakers . . . in particular, financial stability depends on adequate risk management and risk

¹¹¹ Sue Kirchhoff and Judy Keen, “In 2005, Half of Minorities Purchased Their Homes With Subprime Loans Today, Delinquency Rates are Soaring in Minority Neighborhoods; Across the USA, the Same Story; ‘I Got Into a Bad Deal,’” *USA Today*, April 26, 2007.

¹¹² Noelle Knox, “Some Subprime Woes Linked to Hodgepodge of Regulators; ‘Fragmented’ Setup Can Slow Response to Trouble,” *USA Today*, March 16, 2007.

¹¹³ Ben Bernanke, “Regulation and Financial Innovation,” (Speech presented at the Federal Reserve Bank of Atlanta’s 2007 Financial Markets Conference, Sea Island, GA, May 15, 2007).

¹¹⁴ Lawrence, *Politics of Force*, 10.

management by market participants.”¹¹⁵ This ambiguity, as Stone argues, is important because it “allows policymakers to placate both sides in a conflict by “giving the rhetoric to one side and the decision to the other.”¹¹⁶ Thus, Bernanke admitted risk was involved in complex financial innovations, and therefore focused his rhetoric at the growing number of homeowners affected by the situation, suggesting that the goal of policymakers should be to achieve “financial stability, investor protection, and market integrity.”¹¹⁷ Again, these are ambiguous terms and Bernanke failed to clearly state what his objectives were. In fact, even when he spoke about regulation, a primary topic in media coverage at the time, he again failed to specify what action was necessary. Instead, Bernanke vaguely argued, “We should strive to implement a regulatory regime that is principles-based, risk-focused, and consistently applied,” and in addition the new regulatory rules “should implement principles rather than develop in an ad hoc manner.”¹¹⁸

Ultimately Bernanke positioned himself against the growing number of public proposals for new or improved regulation. Two points Bernanke made at the beginning of his speech clearly expressed his position in favor of the status quo and against reactionary or “ad hoc” regulation. First, he indicated his approval of the growing complexity in financial markets, suggesting: “The increasing sophistication and depth of financial markets promote economic growth by allocating capital where it can be most productive.”¹¹⁹ Bernanke’s view was in direct contrast with the growing uncertainty surrounding the financial industry at the time, as homeowners had already suffered drastically as a consequence of the increasing “sophistication” of finance. However, Bernanke’s resistance to regulation was a clear representation of what

¹¹⁵ Bernanke, “Regulation.”

¹¹⁶ Stone, *Policy Paradox*, 125.

¹¹⁷ Bernanke, “Regulation.”

¹¹⁸ *Ibid.*

¹¹⁹ *Ibid.*

economist Ben Fine calls “the hegemonic role of finance within the developed world.”¹²⁰ Finance, according to Fine, has seeped into - and subsequently affected - every aspect of modern life and contributed directly to the restructuring of capital both economically and socially. Consequently, according to Fine. “Both within the financial sector itself and in its allocating finance to other capitals, the capacity to compete depends upon freedom from regulation and restriction.”¹²¹ Thus, Bernanke’s reluctance to turn to regulation is explicitly connected to the “financialisation” of capital noted above and was also necessary in order for the United States to maintain its global position of power.

Bernanke’s second point made in support of the status quo was his expressed belief that complex financial innovations protected against risk, noting, “The dispersion of risk more broadly across the financial system has, thus far, increased the resilience of the system and the economy to shocks,” and he further argued “we should also take into account the role that the market itself can play in controlling risk to public objectives.”¹²² As indicated in the previous chapter, policymakers attempt to create an illusion of control where there is none, and by demonstrating his belief in the market’s capacity to maintain stability, Bernanke’s speech attempted to create just such an illusion.

Bernanke’s speech and subsequent stance against regulation are characteristic of the state’s role in maintaining hegemonic leadership. His rhetoric aimed to appease the low-income citizens in the midst of struggle, while his actions, or inaction in this case, served “to protect the interests of the wealthy few, those who benefit from having the market rule near and far without

¹²⁰ Ben Fine, “Debating the ‘New’ Imperialism,” *Historical Materialism* 14, no. 4 (2006): 145.

¹²¹ *Ibid*, 146.

¹²² Bernanke, “Regulation.”

popular ‘interference.’”¹²³ As the following section of this study illustrates, the decisions made by government elites during the “sub-prime mortgage crisis,” as the situation became known, consistently adhered to an unwavering belief in the capitalist system. Of course, this is not surprising, for the continued reproduction of the productive system is precisely the role of the state in a capitalist society. According to Poulantzas, “All measures taken by the capitalist State, even those imposed by the popular masses, are in the last analysis inserted in a pro-capitalist strategy or are compatible with expanded reproduction of capital.”¹²⁴ Thus, while Bernanke’s decision against financial regulation maintained the status quo, it also perpetuated the growing instability of capitalism that culminated in economic crisis.

Markets are unstable, as even Bernanke himself implied in his speech by admitting the inability of policymakers to completely regulate the market. If the market necessitates regulation, that fact alone is indicative of the inherent instability of the market. Moreover, if regulation is unable to maintain market stability as Bernanke implied, the apparent control of both regulators and the market is tenuous at best. Thus, the naturalization of the market and market mythology are attempts to rationalize a largely irrational process. As McChesney notes, “The simple truth is that markets often produce highly destructive and irrational results.”¹²⁵ The accuracy of McChesney’s argument became apparent the following year, as the “dispersion of risk” Bernanke celebrated in his speech proved disastrous, creating a widespread debt problem that exposed the flaws of the free market system in a widespread way. The remainder of this study is focused on examining the hegemonic struggle that took place during the process of passing legislation in the fall of 2008, and in particular, the role of media in maintaining the hegemonic

¹²³ *Ibid.*, 146.

¹²⁴ Poulantzas, *State, Power, Socialism*, 185.

¹²⁵ McChesney, *Rich Media, Poor Democracy*, 144.

dominance of the state and economic elites during the roughly three-week policy debate surrounding the proposed legislation.

The Introduction of TARP

On Thursday, September 18, Treasury Secretary Henry M. Paulson, Jr. and Bernanke met with congressional leaders in order to develop a plan to prevent the continuation of the economic crisis that many believed had the potential to collapse the entire financial system. The following day, Paulson released a statement spelling out the “ad-hoc” governmental proposal. Labeled the Troubled Asset Relief Program (TARP), the proposal called for the government, with taxpayer money, to purchase all of the “illiquid mortgage assets” held by the nation’s largest financial institutions in an effort to, as Paulson described in the press release, “restore confidence in our markets and our financial institutions, so they can fuel continued growth and prosperity.”¹²⁶ This proposal may seem like a practical, even “common sense” idea for a majority of citizens in a capitalist society, but in actuality relies on a continuous ideological process that, over time, serves to naturalize a reality structured by the capitalist economic system.

The effectiveness of capitalism in establishing a cohesive and largely unquestioned reality is what theorist Mark Fisher refers to as “capitalist realism.” As Fisher explains, “The power of capitalist realism derives in part from the way that capitalism subsumes and consumes all of previous history.”¹²⁷ In this way, capitalism is naturalized and it becomes difficult to imagine life outside of it, as sociologist Erik Olin Wright notes. “Most people in the world today,

¹²⁶ Henry M. Paulson, Jr., “Statement by Secretary Henry M. Paulson, Jr. on Comprehensive Approach to Market Developments,” U.S. Department of the Treasury. <http://www.financialstability.gov/latest/hp1149.html> (accessed April 15, 2010).

¹²⁷ Mark Fisher, *Capitalist Realism: Is There No Alternative?* (Winchester, UK: Zero Books, 2009), 4.

especially in its economically developed regions, no longer believe [an alternative to capitalism is possible]. Capitalism seems to them part of the natural order of things."¹²⁸ The achievement of a widespread belief in the naturalness of capital is accomplished through the ideological function that Hall and his colleagues referred to as the "myth of affluence," which arose in capitalist countries following the Second World War.¹²⁹ Hall was mainly interested in the way the myth of affluence transformed British culture, however, as he noted, the myth traces its origins to the growing prosperity in the United States following the war and the subsequent conception of the myth of the "American dream."

The primary function of myth is to naturalize historical reality. As French philosopher Roland Barthes writes, "Myth does not deny things, on the contrary its function is to talk about them; simply, it purifies them, it makes them innocent, it gives them a clarity which is not that of an explanation but a statement of fact."¹³⁰ In this way the myth of affluence, working in and through capitalism, successfully "unhinged many traditional patterns of class relations in the immediate sphere of social life, reorganizing some attitudes and aspirations, dismantling some of the stable forms of working-class consciousness and solidarity."¹³¹ Thus, capitalist ideology transformed the norms, values, and aspirations of individuals living in capitalist societies, and replaced them with the desire to accumulate property and wealth. This change, as Hall and his colleagues explain, "appeared to come, spontaneously, from nowhere, a natural tendency of all good men and true to come together consensually to support the same goals and celebrate the same values: getting and spending; getting ahead; private space in a do-it-yourself world—a new

¹²⁸ Erik Olin Wright, *Envisioning Real Utopias* (New York: Verso, 2010), 1.

¹²⁹ Hall et al., *Policing the Crisis*, 232.

¹³⁰ Roland Barthes, *Mythologies* (New York: Hill and Wang, 1972), 143.

¹³¹ Hall et al., *Policing the Crisis*, 231.

form of democratized possessive individualism.”¹³² The power of the myth, however, was not simply its ability to transform the values and aspirations of a society, but the fact that it was grounded in material existence. The tremendous economic growth following the war altered the actual living conditions of the subjected masses. As Marxist economist Chris Harman explains, the boom led to “rising real wages, virtually full employment and welfare provision on a scale people had only been able to dream of previously.”¹³³ The capitalist values it promoted appeared to be achievable and beneficial for all. Class seemed to be a thing of the past and capitalism appeared to have overcome its previous harms.

The strength of capitalism still relies on the transformative force of the myth of affluence. The ideological impact is so great that even when the illusion collapses, as happened in the fall of 2008, individuals still cling to the illusion. Paulson ended his press release on September 19 by alluding to this illusion. The financial system was crumbling, forcing millions of low-income families to confront the real, as the ideological fantasy structuring their symbolic reality vanished. The hegemonic turn of the state, however, was not to deny this situation, but to attempt to utilize the trauma caused by it. As Paulson wrote:

The financial security of all Americans—their retirement savings, their ability to borrow for college, and the opportunities for more and higher-paying jobs—depends on our ability to restore our financial institutions to a sound footing.¹³⁴

Clearly, what was at stake according to the press release was none other than the mythical “American dream” itself. However, the dream for many clearly should have been dead. As a consequence of the financial crisis, as Harvey explains, “Consumer confidence sagged, housing construction ceased, effective demand imploded, retail sales plunged, unemployment surged and

¹³² *Ibid*, 232.

¹³³ Chris Harman, *Zombie Capitalism: Global Crisis and the Relevance of Marx* (Chicago: Haymarket Books, 2010), 161.

¹³⁴ Paulson, Jr., “Statement by Secretary Henry M. Paulson, Jr.”

stores and manufacturing plants closed down.”¹³⁵ Yet, the situation for the majority of citizens was nothing new. The financial decline merely exacerbated the economic inequality that had arisen since governmental re-regulation in the 1970s promoted the concentration of capital, and in turn gave rise to greater amounts of wealth for capitalist elites while average citizens were largely excluded from sharing the benefits of the growing rates of profit. As Harvey points out:

In the United States . . . household incomes since the 1970s have generally stagnated in the midst of an immense accumulation of wealth by capitalist class interests. For the first time in U.S. history, working people have failed to share in any of the gains from rising productivity. We have experienced thirty years of wage repression.¹³⁶

It for this reason, as Žižek argues, that the ideological illusion does not function in the domain of knowledge, but on the side of reality. The subjects of the capitalist state know very well that the capitalist system is, at the very least, imperfect. In fact, as Paulson’s press release emphasized, the state does not attempt to disguise the fact. Hence, the real power of ideology is the ability to convince people to buy into the ideological fantasy even when the dream the fantasy rested upon is effectively demystified. According to Žižek, this necessitates “the need for a ‘mature’ realistic pragmatism: one should heroically resist dreams of perfection and happiness and accept bitter capitalist reality as the best (or least bad) of all possible worlds.”¹³⁷ Securing this “pragmatism” ultimately relies on a sort of practical balance on the part of the state between “fighting illusory utopian expectations and giving people enough security to accept the system.”¹³⁸ Is this delicate compromise not precisely the goal of TARP as Paulson explained it?

¹³⁵ Harvey, *Enigma of Capital*. 5.

¹³⁶ *Ibid*, 12.

¹³⁷ Slavoj Žižek. *First As Tragedy, Then As Farce* (New York: Verso. 2009), 26.

¹³⁸ *Ibid*, 26.

For Paulson, securing a consensual “pragmatism” amongst the citizens of the U.S. in the fall of 2008 relied on two ideological strategies. First, Paulson suggested the plan was better than the hypothetical alternative that would arise if nothing were done. As Paulson argued:

The federal government must implement a program to remove these illiquid assets that are weighing down our financial institutions and threatening our economy . . . The ultimate taxpayer protection will be the stability this troubled asset relief program provides to our financial system, even as it will involve a significant investment of taxpayer dollars. I am convinced that this bold approach will cost American families far less than the alternative—a continuing series of financial institution failures and frozen credit markets unable to fund economic expansion.¹³⁹

Paulson’s argument relied on the assumed rationality of the underlying structure of the capitalist system. He conceded problems exist, but the important part of his argument was the assurance that the problems were not beyond the control of state intervention. Moreover, he framed the intervention not as a rescue of a problematic financial industry, but instead as a solution aimed at preventing further harm to “American families.” So, although the American dream may have been flagging, in Paulson’s view, continuing the capitalist experiment remained the best of all possible solutions.

Paulson’s professed faith in the capitalist system, in turn, led directly to his second ideological strategy: attributing blame to external factors and away from the capitalist structure itself. As Paulson matter-of-factly proclaimed in his press release:

As we all know, lax lending practices earlier this decade led to irresponsible lending and irresponsible borrowing. This simply put too many families into mortgages they could not afford. We are seeing the impact on homeowners and neighborhoods, with 5 million homeowners now delinquent or in foreclosure.¹⁴⁰

Not only did Paulson’s statement establish a definitive cause for the financial crisis and therefore limit and control potential solutions, but it also served to frame the crisis as a human problem

¹³⁹ Paulson, Jr., “Statement by Secretary Henry M. Paulson, Jr.”

¹⁴⁰ *Ibid.*

and therefore obviate critique of the capitalist system. Both of these ideological strategies work hegemonically to prevent a potential shift in class power due to a loss of faith in the capitalist system or the state that legitimates it. As Hall and his colleagues explain, “The capitalist state cannot remain securely founded on the legitimacy of popular representation, *and* take severe and unusual measures to contain that threat to its foundation which the vast majority of the population does not believe exists.”¹⁴¹ Thus, Paulson’s arguments were crucial in setting the stage for public debate of the TARP proposal.

It should come as no surprise then, that Paulson’s argument came in the form of a press release. As discussed in the previous chapter, news media are amongst the most powerful apparatuses for defining and establishing a consensual understanding of problematic events. Consequently, one of the primary methods officials use to determine or control meaning is to influence the way events are defined and framed in media coverage. In this sense, Paulson’s press release may be viewed as an attempt to utilize his unique access to media and perceived expertise to provide a primary definition of the financial crisis as well as position his solution as *the* solution, and thus overcome the threat to the hegemony of the ruling class posed by the rapidly deteriorating confidence in the market. However, although Paulson attempted to largely constrain the ability of journalists to interpret the proposed legislation in a polysemic way through his definition of the situation, understanding of the economic events of 2008 was not, in the end, solely under the institutional control of primary definers. The events originated in the working class struggle, and therefore, even as Paulson attempted to routinize the financial circumstances, his definition failed to prevent alternative interpretations in the press.

¹⁴¹ Stuart Hall et al., *Policing the Crisis*, 220.

News Frames and the TARP Debate

Media framing of the TARP debate shifted over time. Initial media reaction to Paulson's plan was mixed, and therefore no clear frame emerged. Quickly, however, the proposal was framed as a "bailout," and as a consequence press coverage of the debate rarely interrogated the need for government intervention. Within the dominant bailout frame that emerged in press reports, a power struggle ensued over attributing responsibility for the crisis, as well as determining who was to be bailed out and by whom. This struggle dominated press accounts throughout the course of the debate, and subtly transformed over time. First, a binary opposition emerged in the press that pitted the elites of Wall Street against the ordinary citizens of Main Street. This dichotomous theme was originally used by editors of *USA Today* to attribute responsibility for the crisis to all citizens, but rapidly exposed class antagonisms and led to reported populist outrage. Subsequently, Congress assumed a heroic role within press coverage by insisting on concessions aimed at the citizens of Main Street within the TARP proposal. However, when members of Congress voted against the plan, media coverage shifted and a backlash against Congress for failing to prevent the continuation of the crisis replaced the initial heroic positioning of Congress within press accounts. Here, the initial populist rhetoric of congressional members was denounced as self-interest and members of the Bush administration and the press attempted to reconstitute the bailout as populist rescue. However, the attempted recuperation of the bailout frame lasted only a few days and ended after a second failed passage of the TARP legislation.

This failure led to the second and final framing of the situation, in which an even greater sense of urgency emerged and the crisis was framed as an apocalypse, replacing the original bailout frame. The originally characterized populist outrage at Wall Street from the original

bailout frame was now reported as populist outrage that nothing was being done to curtail the suffering Main Street experienced as a consequence of the economic crisis.

The proposed legislation was eventually passed on October 3, exactly three weeks after Paulson's initial press release announcing the plan. The following section of this study traces the transformation of news frames, outlined briefly above, as the debate leading to the bill's passage unfolded. In particular, to understand the role of media in the legislation's passing, this section not only identifies the various frames journalists and media outlets constructed, but also uncovers the ideas absent in the framing of this economic and legislative process.

Initial News Framing of TARP: Birth of the Bailout

In his press release issued on September 19, Paulson failed to mention the exact amount of funding requested from taxpayers for his plan beyond suggesting that it should "be sufficiently large to have maximum impact."¹⁴² At 1 a.m. the following morning, the "sufficiently large amount" alluded to in Paulson's original press release was revealed in a two and a half page document which outlined the specifics of Paulson's proposal. The brief document, meant to act as the draft of a bill for Congress to pass, granted the U.S. Treasury 700 billion dollars to purchase mortgage-backed securities, which Paulson and other expert economists argued were the driving force behind the growing uncertainty in the market. The document's release was met with another publicity push from Paulson that saw him appear on nearly all of the Sunday morning political television talk shows. His arguments remained mainly unchanged in the two days since his initial press release. For instance, on NBC's *Meet the Press*, Paulson continued to suggest that his plan was the only real way forward, arguing, "The credit markets are still very

¹⁴² Henry M. Paulson, Jr., "Statement by Secretary Henry M. Paulson, Jr."

fragile right now and frozen, we need to deal with this and deal with it very quickly.”¹⁴³ Thus, Paulson continued to insist on both the necessity of his plan and its urgent nature.

Paulson’s ubiquity and the intense nature of his pleas largely set the tone for the initial press coverage of his plan the following day. News articles featured phrases such as “credit crunch,” “financial carnage,” and “enormous stakes,” to convey not only the gravity of the situation, but also its urgency.¹⁴⁴ The claim that the nation was facing an economic crisis was never truly questioned; instead it was Paulson’s proposal that was subjected to media scrutiny. In fact, only minor coverage was given to questioning the need for government intervention at all, as suggested in a *Wall Street Journal* news article typical of press coverage: “Congress and the Treasury Department appear to be in agreement on the big picture, namely the need and the cost. The differences lie on issues such as what, if anything, the government should extract in return for helping struggling financial firms.”¹⁴⁵ Not only was this example typical of expert views, but it also became typical of subsequent media discourse concerning the economic situation. Even when articles directly questioned the need for government intervention, it was not due to doubts over Paulson’s characterization of the underlying economic crisis which he claimed blanketed markets worldwide, but rather because of moral and efficacy concerns.¹⁴⁶ Thus, the crisis was effectively problematized.

¹⁴³ See Sue Kirchoff et al., “Amid Urgency, Questions Grow About \$700B Bailout; There’s No Other Way, Treasury Chief Says,” *USA Today*, September 22, 2008.

¹⁴⁴ See *Ibid*: Barbara Hagenbaugh, “Can We Dodge a Recession?; Energy Costs, Inflation Ease but Consumers Feel Poorer,” *USA Today*, September 22, 2008.

¹⁴⁵ Greg Hitt et al., “Lawmakers Battle over Rescue Plan,” *Wall Street Journal*, September 22, 2008.

¹⁴⁶ For example, see David M Herszenhorn et al., “Democrats Set Conditions as Treasury Chief Rallies Support for Bailout,” *The New York Times*, September 22, 2008; Barbara Hagenbaugh, “Can We Dodge a Recession?”

Media accounts did not blindly follow Paulson's lead, however, as his proposal was framed as a "bailout" in the press, with negative connotations of a last minute attempt at avoiding disaster. The term "bailout," as communication scholar Jennifer R. Horner points out, "evokes images of disaster: sailors bailing water out of sinking boats, pilots ejecting from crashing planes."¹⁴⁷ Thus, framing TARP as a bailout worked metaphorically to link the collapsing banking industry with a sinking ship and thus implied that it was capable of being saved. In addition, the bailout frame limited greater analytical insight into alternative solutions by creating a sense of urgency to save the failing banks—much like the urgency of a sinking ship—but it also obfuscated the role of the state and capitalist ideology in the crisis by attributing responsibility for the disaster solely on the banks. As Harman argues, "Putting the blame on the banks was an escape route for all those who had argued so vigorously that neoliberalism and capitalist globalisation promised humanity a glorious future."¹⁴⁸ Not all press reports, however, solely implicated the banks in the bringing about the crisis. While the naturalness of the capitalist system itself was never questioned—nor the bailout's necessity—within the dominant bailout frame a power struggle ensued in press coverage over attributing responsibility for the crisis, as well as determining who was to be bailed out and by whom.

An editorial published in *USA Today* suggested, "A \$700 billion bailout of major financial institutions is, without question, tough to stomach. It is a lifeline to mismanaged

¹⁴⁷ Jennifer R. Horner, "Clogged System and Toxic Assets: News Metaphors, Neoliberal Ideology, and the United States 'Wall Street Bailout' of 2008," *Journal of Language and Politics* 10, no. 1 (2011): 30.

¹⁴⁸ Harman, *Zombie Capitalism*, 298.

companies that paid enormous salaries and bonuses.”¹⁴⁹ However, the editorial also implicated average Americans in the financial situation:

On Main Street, personal savings have plummeted in recent years, from about 10% of income a generation ago, to close to zero now. And some of the financial crisis can be pinned on homeowners who took out mortgages they could not afford. Yes, they were egged on by irresponsible lenders abetted by irresponsible regulators and members of Congress, but the choice was theirs.¹⁵⁰

The editorial clearly deflects blame from “Wall Street” which has come to typify the “otherness” of the elites when situated in comparison with everyday “common” people or “Main Street.” Thus this attempted frame presents the so-called bailout not solely as a consequence of the greed of economic elites, but rather the greed characteristic of the country as a whole. The ideological implications and contradictions of this frame were unquestioned in *USA Today* editorials.

While homeowners and borrowers did extend themselves beyond logical means, the fact that this widespread reliance on credit upheld the entire system is not highlighted. In the contemporary capitalist economy, consumer spending accounts for seventy percent of the total U.S economy.¹⁵¹ In fact, as evidenced during the waning economic situation following the September 11 events, consumer spending was encouraged as a means of not only improving the economic situation, but also returning to the American way of life. Thus, the consumer behavior condemned in the *USA Today* editorial is the very same behavior the entire economy, and by extension, symbolic reality, was structured upon. As Harvey points out, consumer spending is vital component of contemporary capitalism. Any large drop in spending results in crisis because “continuity of flow in the circulation of capital is very important . . . any interruption in the

¹⁴⁹ “Bank Bailout is Not Just a Solution – It’s Also a Warning,” *USA Today*, September 22, 2008.

¹⁵⁰ *Ibid.*

¹⁵¹ Harvey, *Enigma of Capital*.

process threatens the loss or devaluation of the capital deployed.”¹⁵² Thus, attacking consumerism is illogical in a social system structured by modern capitalism’s turn to financialisation. Perhaps it is for this reason that any further attempts to ascribe equality of blame between Wall Street and Main Street largely disappeared following this editorial. However, the binary division of Wall Street versus Main Street remained.

Although media discourse failed to question the need for government intervention the Monday following Paulson’s media rounds, the fact that Congress appeared unwilling to pass the measure with the urgency suggested by the Bush administration caused another sharp drop in the stock market. As one article in the *New York Times* reported, “Concerns that the bailout plan may not move smoothly through Congress contributed to the anxiety in the markets that pushed the Dow Jones industrial average down more than 372 points.”¹⁵³ Members of Congress were in a difficult position politically. In just over a month, all of them would be faced with an election to secure their employment, and it appeared a majority of voters were opposed to rushing the Treasury’s proposal through the legislative process without adequate diligence.¹⁵⁴ Once again, the need for a program to address the economic situation was never questioned, but rather the specifics of the proposal were of main concern.

On Tuesday, September 23, Paulson and Bernanke attended a hearing with the Senate Banking Committee to discuss the proposed legislation. News reports following the meeting characterized it as an often-contentious debate over the size and ambiguity of Paulson’s proposal. According to one *USA Today* article, “Lawmakers . . . blasted what they said was the plan’s

¹⁵² *Ibid*, 41.

¹⁵³ David M Herszenhorn, et al., “Stocks Fall as Rescue Plan Is Negotiated,” *The New York Times*, September 23, 2008.

¹⁵⁴ For more on the initial reactions of constituents, see Sue Kirchoff and Fredreka Schouten, “Congress Cringes at Bailout Proposal,” *USA Today*, September 23, 2008.

failure to strengthen oversight of Wall Street and punish executives who have profited from risky mortgages. And they demanded to know why the plan doesn't guarantee that taxpayers would share in possible profits from mortgage bonds and other assets that would be acquired under the bailout program."¹⁵⁵ Faced with the rising populist tenor emanating from members of Congress, Paulson shifted the focus of his argument. As one *Wall Street Journal* article suggested, "Mr. Paulson tried to assure lawmakers that he and other administration officials were taking action to support taxpayers, whom he said would face deeper economic troubles if financial markets remained clogged with bad mortgage assets."¹⁵⁶ The bailout frame was solidified and the banks were effectively demonized.

Attempts at equally attributing blame for the crisis ceased and the taxpayers, or Main Street, were clearly portrayed as the victims, forced to acquiesce with the greedy villains of Wall Street in order to prevent economic catastrophe. Much like the creation of an American national identity following the September 11 events, media outlets during the initial response to the proposed bailout, following the framing attempts of Congressional leadership, created a populist national identity—Main Street—for those citizens not members of the economic elite or Wall Street. The earlier attempt by the *USA Today* editorial to implicate Main Street the crisis was transformed and consequently aligned with an enduring news value identified by Gans: small-town pastoralism.¹⁵⁷ According to Gans, small-town pastoralism celebrates "both nature and smallness per se," as well as denigrates anything big, because "in the news, Big Government,

¹⁵⁵ Sue Kirchoff, et al., "Lawmakers Want Limits on Exec Pay, Oversight," *USA Today*, September 24, 2008.

¹⁵⁶ Greg Hitt, et al., "The Financial Crisis: Bernanke, Paulson Face Skeptics on the Hill Despite Dire Warnings; Lawmakers Suggest Changes Are Needed for Bailout to Pass." *USA Today*, September 24, 2008.

¹⁵⁷ Gans, *Deciding What's News*.

Big Labor, and Big Business rarely have virtues.”¹⁵⁸ The use of term Main Street to create a populist national identity served to homogenize the subordinate classes and therefore disintegrate economic and class differences by romanticizing America’s small town past. As geographer John A. Jakle explains, “In the American small town, families of various class and status implication lived side by side, differences ameliorated by a pervasive sense of everyone being ‘middle class.’”¹⁵⁹ While the creation of the Main Street national identity is a clear manifestation of the enduring value of small-town pastoralism in the press, its use did not condemn everything “big” as Gans suggested normally occurs. Instead, the use of Manichean discourse in the press established Wall Street as the evil Other, and therefore criticism of bigness was limited to the financial elites of Wall Street.

In creating the binary opposition of Main Street versus Wall Street, the press greatly simplified the situation. Not only were the actions of the state left uninterrogated, especially its failure to implement regulations in the aftermath of the 2007 financial crisis, but the press reports also refused any serious attempts to understand the complex financialisation of capitalism, or the inherent problems of capitalist system in general. This may be due to the fact that press accounts rely on “expert” sources for their information and those experts found the situation difficult to elucidate. As Horner states, “The economic crisis was a complex issue that most people, including Paulson himself, found difficult to explain.”¹⁶⁰ However, this ignores the hegemonic role of the state in a capitalist society, which is to both maintain the system of production, while at the same time secure the consent of those dominated by it. In this way, the ambiguity of the political experts, and by extension the simplified binary narrative produced in the press, may be

¹⁵⁸ *Ibid*, 49.

¹⁵⁹ John A. Jakle, “America’s Small Town/Big City Dialectic,” *Journal of Cultural Geography* 18, no. 2 (1999): 15.

¹⁶⁰ Horner, “Clogged Systems,” 30.

read as means to obfuscate the inherent inequalities brought about by the capitalist system. Dominant ideology was maintained by placing the blame “for the meltdown not on the global capitalist system *as such*,” but rather on the greed of a select few encapsulated in the villainous Wall Street.¹⁶¹

The identification of the villainous Wall Street eradicated any real sense of complicity for members of Main Street, and consequently placed them in the subject position of victims. As Anker explains, this creates an inherent need for retaliation or retribution for the suffering endured by the innocent victims through a heroic deed. In the case of the September 11 melodrama, the established hero became the “American people,” and defending American values like freedom and democracy became the heroic deed. In the melodramatic media framing of the TARP debate, it would be easy to assume Main Street was positioned in the heroic role. Not only was it portrayed as the collective victim of a greedy, contemptuous other, but also, in order to save the economy, Main Street was faced with the dilemma of paying off—and therefore preventing true retaliation for—the misdeeds of the villain. However, in media coverage of the TARP debate, Main Street was largely not established as the hero. Instead, Congress positioned itself as the hero in the melodrama, and subsequent press coverage, by incorporating the populist rhetoric of members of Congress, framed the debate in a very similar way. For instance, a *USA Today* editorial argued:

For members of Congress, the choice should be clear: Come to the rescue, but get something in return. Banks don't lend out of pure altruism. Neither should taxpayers.¹⁶²

Congress, by “coming to the rescue,” is clearly the heroic entity protecting the victims—Main Street—by lending the villains money, but with the promise of something, perhaps profit, in

¹⁶¹ Žižek, *First As Tragedy*. 19.

¹⁶² “If Taxpayers Bear the Risk, Let Them Share in Reward,” *USA Today*, September 24, 2008.

return for the innocent, benevolent victims. Here revenge is not immediate. By rescuing the villainous financial institutions and therefore preventing further suffering in the short-term, retribution is delayed for a future date, but promised in the form of economic returns. However, other forms of retribution were widely proposed by members of Congress.

Limiting executive compensation, one of the main methods Congress proposed to hold accountable those now deemed responsible for the situation, engaged the “us versus them” binary of the Main Street and Wall Street categorizations. Newspapers focused on emphasizing the existent economic gap between the two groups. As an article in *The New York Times* pointed out: “In 2007, the total compensation of chief executives in large American corporations was 275 times that of the salary of the average worker . . . in the late 1970s, chief executive pay was 35 times that of the average American worker.”¹⁶³ In addition, Congress called for provisions to be included in the TARP bill that would assist homeowners facing foreclosure and insisted on greater oversight of the Treasury Department when eventually executing the plans contained within the bill. Thus, the primary themes within the dominant bailout frame became the Wall Street versus Main Street narrative, and by extension the Bush administration versus Congress, as news articles juxtaposed the Bush administration’s relentless push for a quick passage with the populist proposals of Congress. Turning media attention away from the bailout and instead focusing on the policy debate indicates the degree to which the media relied on sources for information. And these expert sources, as well as the news articles that featured their opinions, both implicitly and explicitly underscored the necessity of the bailout. In fact, it was framed as the only certainty existing within the media-driven chaos that engrossed the United States. However, the focus on the populist stance expressed by members of Congress also served an

¹⁶³ Steve Lohr, “In Bailout Furor, Wall St. Pay Becomes Target for Congress,” *The New York Times*, September 24, 2008.

important hegemonic function. Because of the negative implications of the bailout when associated with Wall Street, the populist focus of the press emphasized the bailout's potential to offer a potential solution to the continuously increasing income inequality between members of Main Street and Wall Street. Thus, while the bailout was largely still negatively associated with Wall Street, it also began to take on positive attributes as Congress continued to express the need for modifications, oversight, and reform.

As the week wore on, the stock market continued to drop. Urgent calls from the Bush administration persisted alongside Congressional warrants for assurance that the proposal would be effective and its benefits widely distributed. On Wednesday, September 24, President Bush himself joined the publicity push for a quick resolution to the economic circumstances. In a nationally televised speech, Bush argued, "Our entire economy is in danger . . . without immediate action by Congress America could slip into a financial panic."¹⁶⁴ The same day, Paulson and Bernanke again testified before Congress. Bernanke echoed Bush's assessment and suggested that the proposal was not simply a Wall Street rescue, but instead a plan to rescue the entire nation. As Bernanke argued, "The credit system is like the plumbing: It permeates throughout the entire system. And our modern economy cannot grow, it cannot create jobs, it cannot provide housing without effectively working credit markets."¹⁶⁵ By metaphorically arguing that the financial system served a fundamental infrastructural role in the capitalist system, Bernanke—as in 2007—continued to express a positive view of the financialisation of the capitalist system. In addition, as Horner explains, "By envisioning a normally functional system with a temporary blockage, [Bernanke] lent credibility to earlier statements that the

¹⁶⁴ Richard Wolf, "McCain, Obama Heading to White House Summit; On TV, Bush Warns 'Entire Economy is in Danger,'" *USA Today*, September 25, 2008.

¹⁶⁵ Sue Kirchoff and Barbara Hagenbaugh, "Bailout Hits Fever Pitch; Administration Agrees to Limits on Executive Compensation," September 25, 2008.

system itself was sound,” while also buttressing claims “that the problem could be solved through application of technical expertise.”¹⁶⁶

Bernanke’s statement was also ideological: the crisis was simply a malfunction within the financial infrastructure of the capitalist system, rather than a fundamental problem with the system itself. According to Harman, this simplified diagnosis ignored larger problems within the capitalist system: “Ultimately, it was the deeper problems facing the productive sectors of capital that brought this situation about. Finance is a parasite on the back of a parasite, not a problem that can be dealt with in isolation from capital as a whole.”¹⁶⁷ However, by identifying the cause of the crisis as a temporary and solvable problem, the hegemony of the state and economic elites was bolstered. In addition, another vital hegemonic role of the state—which is to secure consent through short-term concession so that long-term domination is secured—was achieved by the Bush administration in the form of conceding to congressional demands for greater oversight and agreeing to plans for taxpayers to receive some form of economic compensation for the 700 billion dollar proposal. As a consequence of the hegemonic functioning of the state, many at the time believed that a prompt passage of the legislation was nearing.¹⁶⁸

Thursday, September 25, proved a pivotal day in the TARP debate. What was reported to be widespread consensus in Congress the previous day, instead turned into heated deliberations between opposing political parties within the Senate and House. Newspaper reports on Friday, September 26, universally dramatized and condemned the events. The reported infighting within Congress served to destroy the previously established heroic position enjoyed by the body’s members within news media coverage once it became clear that the populist stance of

¹⁶⁶ Horner, “Clogged System,” 35.

¹⁶⁷ Harman, *Zombie Capitalism*, 300.

¹⁶⁸ *Ibid.*

Congressional members was an obstacle to immediate action. Instead, news coverage positioned Congress as having failed to provide a solution for the economic situation, as indicated in a news article in *The New York Times*:

The day began with an agreement that Washington hoped would end the financial crisis that has gripped the nation. It dissolved into a verbal brawl in the Cabinet Room of the White House, urgent warnings from the president and pleas from a Treasury secretary who knelt before the House speaker and appealed for her support.¹⁶⁹

The lack of cohesion within Congress resulted in divergent claims from both of the major political parties. The Democrats made claims to journalists that the Republican standoff was merely “a rescue plan for John McCain,” the Republican presidential candidate who was trailing in the polls at the time. In turn, the Republicans claimed the TARP proposal was a “step down the path to socialism.”¹⁷⁰ Beyond the obvious criticisms of the “partisan rancor” within Congress expressed by news media, the divide also shifted the way the situation was portrayed within the dominant bailout frame in the news. The journalists covering the debate within Congress viewed the contention between the two sides as a sign of poor leadership. One *USA Today* news article argued, “What seemed like it could be a triumphant moment of bipartisan problem-solving ended with the participants scattering, with no formal announcements and with signs of deep discord.”¹⁷¹ Leadership is especially important in times of crisis because of people’s innate desire for order. During moments of crisis, when the natural order of things is disturbed, leaders are counted on to provide meaning for events, but even more importantly they are expected to

¹⁶⁹ David M. Herzenhorn, et al., “Day of Chaos Grips Washington; Fate of Bailout Plan Unresolved.” *The New York Times*, September 26, 2008.

¹⁷⁰ *Ibid.*

¹⁷¹ Sue Kirchhoff and Ken Dilanian, “Deal or No Deal?; House GOP Defies Bush on Bailout Hours After Pact Seemed Near; Shouting, Entreaties at White House,” *USA Today*, September 26, 2008.

provide a solution to return order to social reality.¹⁷² Thus, when press accounts accused members of Congress of missing an opportunity to stem the economic crisis, journalists turned against them, using dramatic imagery to beckon the specter of political gamesmanship in order to suggest the existence of congressional inadequacies. Consequently, the claims made by Paulson, Bernanke, and President Bush all gained more credibility as journalists relied more heavily on the three as credible sources.

Media framing of the bailout took on a sense of urgency and the failure of Congress to approve the bill was largely attributed to political calculation, rather than actual substantive disagreement over problems existent in the proposal. As an article in *The Wall Street Journal* suggested, “On [lawmakers’] minds are the looming election and the possibility that they could be punished for picking the wrong side. Even for lawmakers in safe districts, this monumental government action has the potential to bring future challenges in primaries or drum up anti-incumbent sentiment.”¹⁷³ The press and political actors consistently deemed financial rescue necessary; the bailout was now framed as vitally necessary. No longer was there time to question alternatives or make concessions. The perceived failures of Congress led the emergence of a populist theme within the bailout frame in the press.

Reframing the Bailout as a Populist Rescue

In his speech on Wednesday, September 24, President Bush expressed his concern over the dire nature of the country’s economic situation. He pressed Congress to act swiftly and

¹⁷² See Gans, “Deciding What’s News.”

¹⁷³ Sarah Lueck and Michael Phillips, “The Financial Crisis: Lawmakers Weigh Political Stance on Bailout Plan.” *The Wall Street Journal*, September 26, 2008.

suggested a tentative deadline of Friday, September 26, for a finalized agreement.¹⁷⁴ When Congress failed to pass the TARP legislation on Thursday, the previous themes within the dominant bailout frame shifted. No longer did members of the press adhere to the populist claims provided by members of Congress. Instead, Congress was deemed dysfunctional and accused of only superficially acting on behalf of its constituents. It is clear that Congress previously—whether consciously or unconsciously—served a hegemonic function of the state by shifting the focus including concessions within the bailout frame for the subordinated classes, or Main Street. However, the perceived failure of Congress to pass the bailout ultimately proved to fracture attempts to recuperate the dominant ideology and stabilize the hegemonic crisis. Thus the Bush Administration turned the focus of their ire to Congress, and members of the press, who consistently reinforced the necessity of government intervention in the form of a bailout, followed suit. Hence, the administration's urgent calls were given priority in subsequent news reports.

This shift within the dominant bailout frame was plainly evident in a *New York Times* column published Saturday, September 27, aptly titled “D-Day Has Arrived for Congress.” The column's author, Joe Nocera, condemned Congress, metaphorically suggesting, “Congress is fiddling while Rome is burning,” and even more dramatically arguing that “Armageddon is again approaching.” Nocera echoed the Bush administration's claims that every passing day without an agreement represented a step closer to economic catastrophe. He made it clear that government intervention was absolutely necessary:

Whatever its imperfections—and despite the possibility it might not work—it needs to be approved, quickly. I'm praying that by the time markets open on Monday, Congressional leaders will have reached a consensus on the bailout plan. We're running out of time.

¹⁷⁴ Wolf, “McCain, Obama Heading to White House Summit.”

Nocera was not alone in presenting polemical calls for Congressional action. In a column published the following day in the same newspaper, Peter L. Bernstein, a writer who claimed to be alive during the Great Depression, recalled the hardships faced by ordinary people that he witnessed due to the widespread bank failures of the time. He came to the same conclusion as Nocera, suggesting, “The plan is needed, and it needs to be put in place quickly.”¹⁷⁵ However, unlike Nocera, Bernstein appealed to what many journalists suggested was a growing sentiment against the TARP plan, characterized in newspaper coverage as “populist outrage.”¹⁷⁶ While empathizing with the supposed populist outrage, he maintained that “refusing to bail out the risk-takers and letting the financial miscreants squirm in their own juice,” would ultimately harm everyone.¹⁷⁷ In his refutation of the morality-based proposals for letting “risk-takers” suffer the consequences of their actions, Bernstein opined, “life is not so simple.” Instead, he argued, “An epidemic of unpaid bad debts would devastate lenders and ignite a conflagration that could pull down the economic and financial structure, ruining everyone.” Thus, Bernstein concluded by arguing that “preserving the system—and society—must now have top priority.”¹⁷⁸ Ultimately, both men came to the same conclusion: that without immediate government interaction, genuine catastrophe was a real possibility.

Admittedly, these two men did not present hard news accounts, nor can one claim the viewpoints they presented were widespread in media simply because both columns were published by the same newspaper. However, the hard news accounts that followed carried the same frames. In particular, Bernstein’s attempt to placate populist sentiment by morally

¹⁷⁵ Peter L. Bernstein, “What’s Free About Free Enterprise?” *The New York Times*, September 28, 2008.

¹⁷⁶ See Lueck and Phillips, “The Financial Crisis.”

¹⁷⁷ Bernstein, “What’s Free About Free Enterprise?”

¹⁷⁸ *Ibid.*

reprimanding the behavior of economic elites, while at the same time attempting to shift understanding of the bailout as a plan aimed at preventing the suffering of wealthy bankers to a plan that was beneficial and necessary for the well being of all, became common themes in media coverage. This served to reinforce dominant capitalist ideology, while also acting as a form of bricolage in which any symbolic association between Wall Street and the bailout was eradicated and the bailout was subsequently transformed into a populist rescue free of any class antagonism.¹⁷⁹

In the same Sunday newspaper that carried Bernstein's column, a news article reported that members of Congress reached a tentative agreement with the Bush administration at 12:30 a.m. Sunday. According to the article, the bill included the populist concessions demanded previously by Democratic leaders, including pay limits for executives of firms seeking assistance. Both sides of the debate framed continued attempts to transform the dominant bailout frame into a populist rescue. President Bush, in his weekly radio address proclaimed, "The rescue effort we're negotiating is not aimed at Wall Street; it is aimed at your street."¹⁸⁰ Democratic Speaker of the House Nancy Pelosi, in similar fashion, claimed, "All of this was done in a way to insulate Main Street and everyday Americans from the crisis on Wall Street."¹⁸¹ The unusual hour of agreement was emphasized to express the urgency of the situation, while the similar rhetoric from both parties served as confirmation from all of the involved experts that government intervention was necessary as well as a priority. Pelosi triumphantly scheduled a vote on the bill for the following morning.

¹⁷⁹ Bricolage, as used in this instance, is defined as the process of placing an object (the bailout) into a new form of discourse in order to reconstitute its meaning. For more on the act of bricolage, see Dick Hebdige, *Subculture: The Meaning of Style* (London: Routledge, 1979).

¹⁸⁰ David M. Herszenhorn and Carl Hulse, "Congress Nears a Bailout in Intense Push." *The New York Times*, September 28, 2008.

¹⁸¹ *Ibid.*

Newspaper coverage on Monday, September 29, the day of the vote, was mixed. An article in *The Wall Street Journal* focused on the potential political implications of the bill, suggesting, “The political fallout from the bailout could be substantial, given the enormous expenditure of taxpayer money.”¹⁸² An article in *The New York Times* questioned the competing ways the plan was labeled, eliciting expert opinion on whether “bailout” or “rescue” was more appropriate, and what effect, if any, the widespread use of “bailout” by the media had. An editorial published in *USA Today* sustained the populist appeal, arguing, “No matter how unpleasant, it has to be done. The nation faces a credit crisis that has toppled several once-mighty financial firms and threatens to inflict widespread damage on Main Street.”¹⁸³ Each article, while varied in content, either implicitly or explicitly suggested that the bill’s passage was immanent. Only one newspaper article published that day expressed any possibility that the bill would fail.¹⁸⁴ According to that article, the most difficult part of the process was not the “marathon weekend” spent working to secure consensus on the details of the legislation, but rather securing an adequate number of votes for the legislation to pass. The article also quoted Democratic Congressman Brad Sherman of California, who accused the Bush administration of inciting “exaggerated panic” and holding Congress hostage, arguing, “Basically they gave Congress a ransom note: ‘We’ve got your 401(k), and if you want to see your 401(k) alive again, give us \$700 billion in unmarked bills.’”¹⁸⁵ Thus, the article managed to uncover lively oppositional sentiment toward the bill within Congress, but it did not go as far as to suggest that the bill would

¹⁸² Deborah Solomon, et al., “Congress, Treasury Sign Off on Bailout Package,” *The Wall Street Journal*, September 29, 2008.

¹⁸³ “Rescuing Wall Street Stinks, but Hold Your Nose and Do It,” *USA Today*, September 29, 2008.

Kathy Kiely and Sue Kirchoff, “Leaders Back Historic Bailout; ‘Now We Have To Get the Votes’; Changes to \$700 Bill Curb Taxpayers Risk,” *USA Today*, September 29, 2008.¹⁸⁴

¹⁸⁵ *Ibid.*

fail. Consequently, when the second attempt at passing the bill did fail, a collective shock ripped through the economic system and the journalists that covered it. In turn, this effectively killed the bailout frame and led to press coverage reframing the economic situation in end-of-the-world scenarios.

Framing the Apocalypse: Death of the Bailout

Initial reaction in the press to the second failed passage of the TARP plan was dramatic. A column published in the *USA Today* referred to it as “the ‘nay’ vote heard around the world,” and suggested that “the financial fallout was of the Armageddon proportions that some predicted.”¹⁸⁶ In *The Wall Street Journal*, an article described a scene of total shock on Wall Street, where “traders and money managers stared dumfounded at TV screens,” as if their world was ending before their eyes.¹⁸⁷ One stock market trader watching the dramatic news on television was quoted as saying, “We looked up at the vote and went into near free fall. I thought ‘We can’t be watching this movie.’”¹⁸⁸ Even Republican Senator Lindsey Graham, whose Republican allies in the House largely voted against the proposal joined in the ominous claims, asserting, “Those that voted no will own the Great Depression.”¹⁸⁹

The apocalyptic rhetoric in the newspapers was effective in large part because it was based in material reality. The Dow Jones industrial average fell 777.68 points, the largest ever one-day drop in terms of the total number of points. Moreover, the total losses for investors

¹⁸⁶ Adam Shell, “Vote Hits Wall St. Like a Hurricane; Investor Jump Ship for the Safety of Bonds and Cash,” *USA Today*. September 30, 2008.

¹⁸⁷ E.S. Browning and Tom Lauricella, “Dow Falls 777.68 Points on Bailout’s Delay,” *The Wall Street Journal*. September 30, 2008.

¹⁸⁸ Shell, “Vote Hits Wall St. Like a Hurricane.”

¹⁸⁹ Richard Wolf, et al., “Politics, Fear Spell Doom For Bailout; Bush, House Leaders Can’t Stop Backlash,” *USA Today*. September 30, 2008.

amounted to 1.2 trillion dollars. However, not all newspaper articles suggested the end of the world, or even capitalism, was approaching. A column published in *The New York Times* the day after the failed passage suggested that the economy might be better off without the plan. As the author argued, “Whether or not Mr. Paulson’s Tarp comes back to life, there will be more pain, particularly on Wall Street, but also on Main Street . . . But the additional pain of living without the Tarp could be beneficial in the long run, if it brings more reliance on sound market principles.”¹⁹⁰ Ultimately, however, the vast majority of news articles presented the failed passage of the bill as problematic, and Congress was consistently blamed for the ongoing crisis within press coverage.

A metaphorically laced article published in *The Wall Street Journal* effectively encompassed many of the growing themes in news media. First, the article suggested Congress “defied a full-court press from the president and the Treasury” by voting against the bill. The use of a game metaphor is evidence of what scholars have suggested is a growing focus of news media to present politics as a game.¹⁹¹ When such metaphors are used, as communication scholars Joseph N. Cappella and Kathleen Hall Jamieson write, “All actions are tainted—they are seen not as the by-product of a desire to solve social ills, redirect national goals, or create a better future for our offspring but are instead viewed in terms of winning.”¹⁹² Thus, members of Congress were again portrayed as acting solely in their own self-interest. This was even more explicitly articulated in a later passage of the article: “Of the 18 Democratic and Republican incumbents in close races—classified ‘tossup’ contests by the Cook Political Report—just three

¹⁹⁰ Rob Cox, “An Alternative to Armageddon,” *The New York Times*, September 30, 2008.

¹⁹¹ See Thomas Patterson, *Out of Order* (New York: Vintage Books, 1994); James Fallows, *Breaking the News* (New York: Vintage Books, 1997); and Joseph N. Cappella and Kathleen Hall Jamieson, *Spiral of Cynicism: The Press and the Public Good* (New York: Oxford University Press, 1997).

¹⁹² Cappella and Jamieson, *Spiral of Cynicism*, 34.

voted for the bill. All six freshmen Democrats in tossup races voted against the bill.” Again, the game metaphor was used, however in the now conventional form of horse-race electoral politics which may “invite the attribution of cynical motives to political actors in campaigns and public policy debates, not because voters are distanced from the process but precisely because they are drawn into it and, through a rational analysis of the politicians whose motives they have come to know, reject the actors and ultimately the process.”¹⁹³ Whether intentional on behalf of members of the press who appeared to have turned on Congress or not, this process may be explained as reaction to the populist outrage widely reported in news media accounts. By portraying members of Congress as only acting with political motives when voting down the TARP plan, substantive debate over the necessity of the plan, or its details, was largely curtailed, and the merits of the earlier attempts to ideologically reposition the bailout as a populist rescue were further reinforced.

However, another article published the same day in *The Wall Street Journal* did discuss the logic behind opposition to the plan (the only article to do so). According to the article, outraged voters bombarded members of congress with phone calls, emails, faxes, and letters urging their representatives to vote against the proposed legislation. The overwhelming opposition to the bill was reportedly due to the fact that the plan relied on taxpayer dollars for funding. As Representative Darrell Issa of California was quoted in the article: “The vast majority of my voters looked at this as a bailout for Wall Street.”¹⁹⁴ In addition, an alternative plan put forth by Senator Bernie Sanders of Vermont was mentioned. The Sanders plan, reported to have garnered 23,000 signatures in two days, called for a five-year, ten percent surtax on the

¹⁹³ *Ibid*, 37.

¹⁹⁴ Stephen Power and Gary Fields, “The Financial Crisis: How Voter Fury Stopped the Bailout; Left-Right Combo By Opponents Put Plan on the Ropes,” September 30, 2008.

wealthiest Americans to fund the TARP plan. The article ended with a quote from a post on a website: “This is the biggest robbery of the U.S. in the history of this nation.”¹⁹⁵

Clearly attempts to reframe the bailout as a populist rescue were contested. Consequently, due to the failed attempts to reconstitute the bailout as populist proposal, a plethora of experts attempted to completely disassociate the TARP proposal from the bailout frame. As R. Bruce Josten, executive vice president of the U.S. Chamber of Commerce, representative of the elite attack on the bailout frame argued, “The hurdle is overcoming the word ‘bailout.’ This is not a bailout; this is Treasury buying toxic assets that they will dispose of over a period of time and resell.”¹⁹⁶ The use of this particular metaphor again envisioned the cause of the problem as manageable and that, once corrected, would end the problems faced by the capitalist system. In addition, the fact that neither Wall Street nor Main Street was mentioned by Josten indicated, albeit implicitly, that the Treasury’s plan was neither a populist rescue nor an elite bailout. Instead, the TARP proposal, as articulated by Josten, was simply a restructuring of problematic assets within the system itself—the expense of which could be recuperated in the same process.

This works ideologically in two different ways. First, of course, is the fact that it attempts to separate the crisis from class struggle, or rather, ignore any class antagonism in general. This, in turn, leads to a second ideological function in that it presents “a whole world-view in which the hegemonic classes are presented as actually representing the general interest of society . . . in a ‘national’ community under the aegis of the hegemonic class.”¹⁹⁷ The hegemonic attempt to establish a national unity was echoed the same day in a column published in *The Wall Street Journal* that argued, “Our collective anger won’t change the sobering fact that we live in an

¹⁹⁵ *Ibid.*

¹⁹⁶ Peter Baker, “Labeled as a Bailout, Plan Was Hard to Sell to a Skeptical Public,” *The New York Times*, October 1, 2008.

¹⁹⁷ Poulantzas, “Study of Hegemony,” 96.

interconnected and all-too-fragile web of financial institutions whose well-being affects all of us. To punish those at the top of Wall Street by destroying the system they manipulated, I fear, will end up harming all of us.”¹⁹⁸ The emergent climacteric rhetoric had fully formed into an apocalyptic frame, characterized by claims that non-intervention by the state would be catastrophic for all, regardless of class situation. No longer were distinctions between the elites of Wall Street and the ordinary citizens of Main Street warranted, instead the crisis had national implications.

The apocalyptic frame was bolstered in the press by a reported shift in popular opinion over the TARP proposal, personified in an article in *The New York Times*. The article began by focusing on 58-year-old city worker Molly Winter, a self-identified Democrat who reportedly confronted her congressman through email, asking what his plan was to reinstate value in her 401(k). The article even paradoxically suggested, “Some people said the intense level of public input on the bailout plan, in pressuring members of Congress to vote one way or another, was an expression of democracy at its worst.”¹⁹⁹ No better written statement may be found to illustrate the logic of capitalist realism. The transference of responsibility for the crisis from capitalism to democracy is ideology *par excellence*. For in actuality, the relationship between capitalism and democracy is transposed. Capitalism is “a poison pill for democracy,” according to McChesney, because “capitalism benefits from having a formally democratic system, but capitalism works best when elites make most fundamental decisions and the bulk of the population is

¹⁹⁸ James B. Stewart, “Common Sense: A Bailout May Be Unpopular, but Doing Nothing Is Worse,” *The Wall Street Journal*, October 1, 2008.

¹⁹⁹ Kirk Johnson, “Amid the Wall Street Chaos: Confusion, Anger and Shifting Opinions,” *The New York Times*, October 1, 2008.

depoliticized.”²⁰⁰ Nonetheless, the final hegemonic turn of the state in the fall of 2008—consensus gained through fear—ultimately proved successful.

Only two days after the failed passage of TARP in Congress, word came that a different set of lawmakers intended to ensure that something was indeed done. The Senate rushed through a vote over a revised version of the bill late on Wednesday, October 1. The revisions included a provision granting the Federal Deposit Insurance Corporation the authority to raise the insurance limit on bank accounts and an extension of tax breaks enacted by Bush that were set to expire at the end of the year.²⁰¹ The provisions to the bill were largely criticized in the press, but the overall sentiment in the press remained that the bill needed to be passed by any means necessary.

As an editorial in *USA Today* proclaimed:

It’s appalling that lawmakers need sweeteners to vote for a bill designed to save the U.S. economy. But, then again, it’s even more appalling that so many voted Monday to reject a measure urgently promoted by the president, the Treasury secretary, the chairman of the Federal Reserve and the bipartisan congressional leadership. This week’s horse-trading has shown Congress at its best, with responsible lawmakers of both parties working together to address a crisis, and at its worst, with a group of rigidly ideological and politically calculating legislators standing in the way. Getting the deal done is good—in fact, essential. But the price is downright ugly.²⁰²

Congress passed the bill on Friday, October 3, and President Bush immediately signed it into law. In addition to the provisions included in the reworked bill, the rapid turn in congressional sentiment toward the proposal was credited to a shift in popular support for plan. As a *Wall Street Journal* article explained, “Members went back to their districts and heard voters sharing stories about their shrunken retirement nest eggs and how the credit crisis is

²⁰⁰ McChesney, *Rich Media, Poor Democracy*, 2-3.

²⁰¹ See “Senate OKs \$700B Bailout; What’s New Tax Breaks, Bank Deposits Insured to \$250,000; What’s Next Vote in House, Bush Signing if Bill is Passed.” *USA Today*, October 2, 2008.

²⁰² “Bailout: Good, Bad, and Ugly,” *USA Today*, October 3, 2008.

squeezing Main Street.”²⁰³ As one representative quoted in the article explained, “Monday, I cast a blue-collar vote. Today, I’m going to cast a red, white and blue vote for my country.”²⁰⁴ Much of the subsequent coverage of the TARP plan focused on the political implications of its passing for the lawmakers who sought re-election in November.

As the press attempted to come to grips with the economic situation in the aftermath of the TARP legislation’s passing, stocks continued to fall. On Monday, October 7, the Dow Jones industrial average lost 369.88 points, closing under 10,000 for the first time in four years.²⁰⁵ One financial services executive proclaimed in the *USA Today*, “You have to get calls of the ‘end of the world.’ You need front covers of every magazine reporting doom and gloom.”²⁰⁶ The “end of the world” scenario was clearly hyperbolic, however, as by mid-October, the Treasury’s plan was officially unveiled and its provisions sparked a massive upturn in the stock market. When word of the revised plan leaked to investors the day before its official release, the Dow Jones industrial average rose 936 points, the largest one-day increase in history.²⁰⁷ Economic uncertainty remained, but it was clear that a catastrophic collapse of the capitalist system—at least for the moment—was no longer a threat. Subsequent press coverage of the TARP plan began to fade, as the media spectacle surrounding the debate ended and the journalists moved on to cover yet another news sensation.

²⁰³ Greg Hitt and Deborah, “Historic Bailout Passes as Economy Slips Further,” *The Wall Street Journal*, October 4, 2008.

²⁰⁴ *Ibid.*

²⁰⁵ Adam Shell and Matt Krantz, “Signs of a Growing Crisis; As Fear, Panic Spread, Global Markets Dive, Dow Hits 4-Year Low,” *USA Today*, October 7, 2008.

²⁰⁶ *Ibid.*

²⁰⁷ “Timely About-Face on Banks Sends Stock Market Soaring,” *USA Today*, October 14, 2008.

CONCLUSION

The financial crisis of 2008 was clearly a crisis of hegemony for the state and economic elites of the United States. This ideological fissure not only exposed the instability of capitalism, but also presented a potential opportunity for significant social change. However, instead of serving as a conduit for substantial change or even minor alterations to the capitalist system, the economic crisis ultimately served as means to perpetuated the established structural mechanisms. No significant change occurred. Direct state intervention in the capitalist economic system—supported by a concerted effort of ideological recuperation—secured the natural order of things and restored hegemony.

Maintaining hegemony in a situation like the economic crisis of 2008 necessitates a complex ideological process because direct state intervention in the economic system exposes the confluence of illusions that work to “mask the continuing social and economic inequalities stemming from productive relations.”²⁰⁸ Media play unique roles in influencing public perceptions of an issue or event. To “win consent in the media” is to maintain credibility as well as establish a common consensus and therefore legitimize “the measures of control and containment which this version of social reality entails.”²⁰⁹ Hegemony often remains invisible due to the power of ideology to naturalize the illusion upon which dominant ideology is secured. Thus, a moment of crisis provides unique insight into the messy process that is hegemony.

The ideological role of the state in securing hegemony is not totalized in its effort to gain or maintain popular consensus through the media, or rather news media do not represent the only site of hegemonic struggle. However, because domination maintained by hegemony relies on the consent of the subordinate classes, investigating news media accounts of the crisis in 2008

²⁰⁸ Hall et al, *Policing the Crisis*, 303.

²⁰⁹ *Ibid*, 221.

provides an opportunity to uncover the ways in which dominant ideology worked in and through media to preserve hegemony. Therefore, analyzing how the crisis was framed in news media—and by extension the way in which the debate was shaped in and by the press—provides a means to understand how ideological processes were able to shape a common understanding of the event.

The initial bailout frame created in the press was both ideologically beneficial and problematic. On the one hand, framing the Troubled Asset Relief Program as bailout worked to support dominant ideology by metaphorically establishing that the capitalist system was sinking and in need of intervention. This not only established intervention as a necessity, but also limited debate about alternative solutions to the crisis by conveying the urgency of the situation. On the other hand, the bailout frame exposed the inherent inequalities of the capitalist system, which engendered populist outrage toward the elites, whose positions were supported by the capitalist system. Consequently, within the bailout frame, the press presented this populist outrage in the form of a Wall Street versus Main Street binary theme. Originally intended to attribute responsibility for the crisis to the country as a whole and thus ideologically support the bailout's necessity, the Wall Street versus Main Street theme instead challenged the very sense of complicity it was meant to engender.

The ideological response of the state, and by extension the press, was to shift focus away from the size and intended recipients of the bailout by establishing concessions aimed at the subordinate classes in a further attempt at gaining consensus. While successful in maintaining a common sense understanding that the capitalist system was the best way for society to function—as the fundamental nature of the capitalist system was uninvestigated in the press—the

economic and social divide created by the consistent focus on populism by the press presented an obstacle to hegemony and ultimately resulted in a failed passage of the bill within Congress.

While the bailout frame initially engendered popular resistance to the TARP proposal, the way in which the themes within the dominant frame shifted are emblematic of the fluidity of ideology. As a consequence of the first failed bill in Congress, press interpretation of the situation was altered, specifically in regard to how it characterized the bailout. Press coverage, of course, continued to express the bailout's passage as essential, but the previously reported populist outrage toward Wall Street was now transferred to Congress. This transference of blame worked ideologically to not only further stress the necessity of government intervention, but also reframed the bailout itself. No longer was intervention necessary to protect and support the elites of Wall Street, instead it was essential for the well being of society as a whole.

After another attempt to pass the bill in Congress proved unsuccessful, a final ideological shift emerged. In this instance, government and business elites attacked the use of the term "bailout" in media coverage. Residual elements of the bailout frame persisted in press coverage of the crisis, however, an apocalyptic frame eventually replaced and subsumed them. In this final frame, the essential creation of a common consensus in order to maintain hegemony was realized through fear. The attempted creation of an earlier national identity—Main Street—worked against hegemony because it exposed class antagonisms. However, consensus was finally accomplished by incorporating populism as a national imperative to do *something*—however distasteful—to avoid a totalizing collapse of the nation and the mythical American dream it symbolized.

While this study is admittedly limited in its scope—it only analyzed the newspaper medium, as well as focused the investigation on merely three different newspapers—the findings

nonetheless remain useful in contributing to a greater understanding of the process of ideological recuperation that took place during the 2008 financial crisis. Much like the manifestation of a patriotic national identity after September 11, in the case of the 2008 economic crisis, hegemony was finally realized by utilizing fear and uncertainty to solidify national consensus. While both events ruptured the dominant ideology and proposed substantial threats to continued hegemonic dominance, in the end, capitalism was re-naturalized as a vital form of social stability and as the natural order of things. In addition, this study confirms that in times of rather extreme crises—exemplified here by a potential collapse of the world’s dominant economic structure—real questions of revolution and social change failed to enter into the press sphere. Instead, the potential to bring about significant change through populist outrage was incorporated by the dominant ideology and used in support of the status quo.

To greater understand how ideology works in and through media, especially the way in which it is able to transform populist resistance into support, future research must be conducted on moments of crisis. If indeed capitalism naturally results in crisis, activists need to understand how best to utilize the ideological ruptures created by crises as a means for social change. This necessarily entails preventing the crises from continuing to “rationalise the irrationalities of capitalism.” which has thus far typified reaction to crises.²¹⁰ Because media serve as primary ideological mechanisms to rationalize the capitalist system and gain popular support, activists must find alternative outlets to express populist outrage. Traditional capitalist media have so far proven unsuccessful tools. The Occupy movement that began on September 17, 2011, is a positive sign that progress is being made in this regard, however, the movement has failed to bring about significant (positive) policy change. Instead, the movement was and continues to be

²¹⁰ Harvey, *Enigma of Capital*, 11.

largely marginalized in the traditional media sphere, which further underscores the importance of uncovering new mass communication outlets to connect the subordinated classes in order to aid in the realization of their power. Perhaps, however, it will only take another crisis to transform the growing unrest into a revolutionary force. For as Žižek suggests:

Revolutionaries have to wait patiently for the (usually very brief) moment when the system openly malfunctions or collapses, have to exploit the window of opportunity, to seize power—which at that moment lies, as it were, in the street—and then fortify their hold on it, building up repressive apparatuses, and so forth, so that, once the moment of confusion is over the majority sobers up . . . the revolutionaries are now firmly entrenched.²¹¹

Until such opportunity again arises, however, there is much work to be done.

²¹¹ Žižek, *First as Tragedy*, 90.

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