Review of *Liquidated: An Ethnography of Wall Street.* Karen Ho. Durham, NC: Duke University Press, 2009.

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The capitalism of yesteryear featured entrepreneurs who profited from the production of firms that they themselves owned. In contrast, managers, consultants, and CEO-led executive boards organize the corporations of today, which are in turn "owned" by banks and institutional investors that are themselves run by non-owning executives. The bourgeoisie of former times has reasserted itself as a stratum of salaried management, whose compensation (determined by the pseudo-scientific evaluation) usually includes company stock and bonuses for "high performance" (Žižek 2012:9).

The economic crises precipitated in large part by this entangled managerial class – such as the late-1980s collapse of the junk-bond market, the dot-com bubble of 2000, and the recent subprime mortgage meltdown – are often considered the inevitable result of market cycles. What goes up must invariably go down, the logic goes. In her important 2009 text *Liquidated: An Ethnography of Wall Street*, anthropologist and former Bankers Trust consultant Karen Ho challenges the notion of an abstract, omnipotent market by showing how high finance actively constructs the booms and busts. Convincingly, Ho reveals how the working lives and ideologies of Wall Street investment bankers lead them to comprehend, validate, and reproduce a dominant but highly volatile system of finance capitalism that has come to have a profound effect on the world's businesses and workers. Ho contends that

Wall Street bankers view the larger economy through the lens of their workplaces, a thesis she corroborates with ample ethnographic data collected from overworked and overstressed first-year analysts, alienated MBA-toting associates, and hardened, cynical managing directors, as well as from Harvard and Princeton undergraduates hoping to land post-college banking jobs.

Wall Street finds its "talent" at slick recruiting sessions on the campuses of elite U.S. universities, where many upperclassmen come to see the opaque field of investment banking as "a solution to the anxieties about post-graduation life" (53). (This group apparently included Ho herself, which makes for an interesting subtext throughout the book.) In a chain of referentiality, Wall Street has become the obvious destination for graduates of the Ivy League, an affiliation that the banks use to signify, even prove, the worthiness of their advice, expertise, and influence. Hailed as top talent, newly hired investment bankers become immediately socialized into the world of excessive risk and exorbitant compensation, where brazen, competitive individualism is the norm. The glamorous Wall Street lifestyle that Ho's informants imagined for themselves as undergraduates turns out to be successive 100-hour weeks of white-collar factory work, a schedule "intense enough to reconstitute and transform what it means to be successful subjects in the world of finance capital" (74).

Unlike most employees in the age of neoliberalism, investment bankers benefit from a link between their "performance," compensation, and upward mobility. They are rewarded amply for their efforts but know that they can lose their jobs at a moment's notice. The structures and strategies of their workplaces, combined with networks of privilege, cause them to associate job insecurity with "mettle" and employee liquidity with efficiency and value. Investment bankers' fetish for excessive work, according to Ho, becomes evidence for

their supposed hyper-efficiency and acute responsiveness to market fluctuations, which they believe sets them apart from the "lazy," "unaccountable" masses of U.S. workers.

Wall Street's image of itself as "the best and the brightest" is key to understanding the hubris necessary to impose its worldview and practices on the rest of the economy. Ho details how "smartness" on the Street has little to do with intelligence, but is rather a function of "pedigree, competitive consumption, and heteronormativity" (52), in addition to being a means to accumulate excessive profits and spread the banks' influence. Privileged status and an aura of grandeur bestow to investment bankers the authority and legitimacy necessary to "create value" for corporate clients. Moreover, Ho alleges, this Wall Street habitus provides a cover for what is often detrimental decision-making made for short-term gain in the global financial markets.

Success on Wall Street does not, however, come to its participants in equal measure, no matter how hard they work. Ho states that for the elite white males who dominate Wall Street's pinnacle strata, social life and work life "intersect and overlap such that both spaces aid in strengthening the density of [their] professional network" (115). As such, women and minorities are obviously "better fits" for jobs and divisions perceived to require less schmoozing with the banks' corporate clients (themselves overwhelmingly elite white males). Many employees of Asian origin find themselves as members of less highly remunerated divisions, such as IT or product development, for they are assumed to be natural "quant jocks."

The ambitious scope of *Liquidated* causes Ho to simplify her analysis too much at certain junctures. She frequently holds up corporate production as a foil to Wall Street speculation, which generously glosses over the frequently heartless, irresponsible behavior of

corporations, which by design are "greedy," profit-maximizing institutions like investment banks. There is also some disconnect between Ho's rich and meticulously collected ethnographic data and her use of technical concepts like bubbles, asset prices, and even the market. At times she uses the former a bit too loosely to make the latter more accessible to her audience. Furthermore, despite the manifest advantages of her auto-ethnographic perspective, being a member of the elite culture she critiques raises the concern that Ho might be overstating investment bankers' influence in the global economy. Institutional investors and corporate CEOs who have applauded and benefited handsomely from Wall Street recklessness are mentioned only as supporting actors to her investment banking interlocutors. Without this larger context, Ho narrows to some degree her otherwise comprehensive and solid analysis of investment banking culture.

These minor shortcomings do not detract from Ho's larger effort of revealing the social relations needed to realize the global ambitions of high finance. She effectively connects the values and exploits of investment bankers with their conceptualizations of the market and their influence in the greater economy. Embracing the teleology of a globalized capitalist order, Wall Street has succeeded in large part in reshaping the U.S. and world economies in its own image. Notwithstanding the conflict of interest in linking bankers' yearly bonus (frequently multiple times their base salary) with "deal flow," they claim to create stock-market "value" for clients, but more often precipitate profound crises that compromise the productive capabilities of U.S. corporations (Michl 2011:119).

Published in 2009, *Liquidated* features data that Ho collected while working as a consultant at Bankers Trust and from interviews she conducted during the "boom" years of 1998–2006. Since then, public opinion has decidedly turned against Wall Street. What

prevented evitable collapse in the aftermath of the 2008–2009 crisis was not its much-touted future orientation or risk-management skills, but the cynical tethering of its fortunes to those of the global economy. Investment banks, as is now cliché, became "too big to fail," forcing governments to bail them out. As the compensation practices and behavior that caused the crash resurfaced quickly thereafter, a deep disillusionment sank in among the public. Different now is that Wall Street itself may end up paying a steep price for its short-term thinking. Subject to new regulations (that they desperately tried to dilute), investment banks are being forced to curtail proprietary trading. In addition, fewer graduates of elite Ivy League universities are flocking to careers in finance. And the ranks of the angry continue to swell, be they Occupy activists or affluent investors skeptical of Wall Street's latest "innovation." Such developments bear the influence of Karen Ho, whose *Liquidated* will no doubt remain a vital contribution to the public's understanding of this crucial moment in the history of high finance.

REFERENCES

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