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## Making Markets and Constructing Crises: A Review of Ho's Liquidated

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## Making Markets and Constructing Crises: A Review of Ho's Liquidated

### Abstract

This book review is a beginning academic researcher's interpretation of the robust methods and rich data Ho presents in her study of investment banking culture and the market in *Liquidated: An Ethnography of Wall Street* (2009). A unique contribution of the text is Ho's combining of ethnographic methods in order to practice polymorphous engagement in her study. A weakness of the text is Ho's lacking autoethnographic analysis of her experience as an Asian American woman on Wall Street. The book will be helpful for a scholarly audience interested in studying rigorous ethnographic methodologies and exploring the culture of Wall Street.

### Keywords

Ethnography, Polymorphous Engagement, Pre-fieldwork, Wall Street

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## **Making Markets and Constructing Crises: A Review of Ho's *Liquidated***

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In her dissertation-turned-book, *Liquidated: An Ethnography of Wall Street* (2009), anthropologist Karen Ho describes the culture of Wall Street from an insider's perspective. After being recruited from Princeton and employed at the prestigious global investment firm Banker's Trust (BT), Ho developed a unique sense of what being a part of Wall Street meant. She left Wall Street after just a year, when she was laid off, to pursue her graduate studies in anthropology and continue the ethnographic research she began as a financial analyst at BT. Through in-depth interviews with all levels of Wall Street employees, from entry-level analysts to senior managing directors and from front-office players to back-office support staff, Ho explores the omnipresent practice of downsizing and constant corporate liquidation experienced – and perpetuated – by these individuals and their Wall Street colleagues. She launched her personal experience into a full ethnographic research study in attempt to answer the question, "How do Wall Street investment bankers negotiate the relationship between massive downsizing, shareholder value, and the production of market crisis?" (Ho, 2009, p. 4). More generally, she asks, "How do investment bankers actively *make markets* – that is, produce the dominant sensibilities of the stock market and Wall Street financial norms through their daily cultural practices?" (Ho, 2009, p. 4). In seven robust chapters and over one hundred detailed and transcribed interviews, Ho interrogates the culture of Wall Street and debunks the market as an elusive concept. Her rigorous qualitative research methods and sheer volume of data convincingly demonstrate a market that mimics the personalities, egos, and practices of the Wall Street investment bankers themselves, and her analysis makes the case for how these individuals have created a financial environment that shapes the way corporate America operates, the way the global economy functions, and even the way individuals live.

Ho (2009) introduces her text by justifying her choice to study Wall Street ethnographically and sets the stage for her data presentation and analysis throughout the book. Rejecting the "widespread conception of capitalist globalization as an abstract metanarrative and homogenizing force too unwieldy for ethnographic translation" (Ho,

2009, p. 5), she examines the values and practices of investment banks that have influenced the restructuring of U.S. corporations and have thus led to financial market booms and busts. She seeks to capture data that describes, demonstrates, and explains “what kinds of experiences and ideologies shaped investment banker actions, how they were empowered to make these shifts [from stable to unstable capitalism], and how these changes were enacted and understood to be righteous” (Ho, 2009, p. 5) through field work at iconic Wall Street investment banking firms such as Morgan Stanley and Merrill Lynch. After her year of participant observation in pre-fieldwork through the Wall Street recruitment, orientation, acclimation, and downsizing processes, Ho spent another seventeen months gathering interview data from key informants at these financial institutions, shadowing, and attending conferences, panel discussions, formal networking events, and informal social events. She describes her methodological approach for studying the power elite of Wall Street similar to that of Hugh Gusterson’s “polymorphous engagement,” (as quoted in Ho, 2009, p. 19), in which participant observation is de-emphasized in favor of dispersed interaction in a variety of sites and collecting data from disparate sources. Ho characterizes her pre-fieldwork employment at BT and her fieldwork interviewing at various Wall Street institutions as an ideal combination of methodologies, giving her both the knowledge of the intricacies of finance through immersion in the investment banking profession and access to the experiences of other informants at many different investment banks. In her words, she “designed a methodology that combined immersion with movement, broad enough to access Wall Street worldviews and practices, yet particular enough to understand how such norms were constituted on a daily basis within particular institutions” (Ho, 2009, pp. 18-19). Therefore, Ho is able to acclimate to and thoroughly understand the environment in her study, as well as represent the experiences of her many informants as she explores the culture of Wall Street.

Ho (2009) begins her study by examining the backgrounds of investment bankers and how they are recruited from the most elite universities in the country. She artfully weaves the story of how Wall Street creates a culture of smartness within its financial institutions, and it begins in their elaborate recruitment schemes at Ivy League schools, mainly Harvard, Princeton, Yale, and University of Pennsylvania’s Wharton School of Business. Ho describes the campus presentations, networking events, cocktail parties, and on-campus interviewing schedules that investment firms put on in order to woo students, sharing the long histories that the firms and colleges share and convincing students that as “the best and brightest” of the nation, the logical career decision is to join their firms. Students become enamored by these firms, seeing their prestige as a means of continuing the global elite status that they have gained merely by being students at these prestigious universities. Ho describes how as investment bankers, then, they perpetuate that elite status across the Wall Street financial industry.

Central to Wall Street’s construction of its own superiority is the corollary assumption that the other corporations and industries are “less than” – less smart, less efficient, less competitive, less global, less hardworking – and thus less likely to survive the demands of global capitalism unless they restructure their cultural values and practices according to the standards of Wall Street (Ho, 2009, p. 57). Thus, Wall Street’s influence on corporate America and other global firms begins with the new hires they recruit from the nation’s top institutions; according to the firms, by hiring the smartest,

most ambitious young people in the country, the manners in which they operate professionally must be the best.

Ho (2009) goes on to describe the cultural values and practices of Wall Street, largely characterized by extremely long hours and pressure to work hard, competitiveness among colleagues for promotions and bonuses, rampant job insecurity due to constant downsizing, and the mission to create shareholder value. As she researches these values and practices, she questions the tenet of shareholder value in particular. Through her interviews and observations, she uncovers seemingly contradictory events between the moral blueprint of shareholder value espoused by investment bankers and their enactment of bad deals, poor strategies, and long term financial busts. Ho delves into the history and narrative of shareholder value to illustrate how stock prices and stock holding have been constructed to be the primary measure of corporate value and success. However, despite the import Wall Street places on this primary measure, the instability that investment bankers experience in their own positions undermines the lip service they pay to shareholder value. Because of their constant job insecurity and the culture of downsizing created by Wall Street firms, Ho proposes that instead of a model of shareholder value, what is really produced and perpetuated by the market is a sense of “the ultimate ‘liquid’ employee” (Ho, 2009, p. 252). She explains, “Wall Street approaches to compensation not only solidify job insecurity but also engender a relentless deal-making frenzy with no future orientation, which in turn sets in motion...[the] imposition of investment banking models of employee liquidity onto corporate America” (Ho, 2009, p. 252). Ho argues that the influence over corporate America is furthered by Wall Street’s culture of high risk and high reward. Her informants overwhelmingly communicated their motivations for working in such unstable and high pressure contexts as justified by money, and the riskiness embedded in the investment firms’ environments trickle up to the market as a whole and even to “the global.” She convincingly demonstrates throughout the text that the ideologies of the investment bankers manifest themselves in Wall Street structures and practices, ultimately leveraging their superiority to become dominant in the global market. These structures and practices – “broken promises, failed shareholder value, and the mining of capital without replenishing it” (Ho, 2009, p. 324) – ultimately led to the most recent economic crisis.

As a beginning academic researcher interested in qualitative research methodologies, I very much enjoyed Ho’s framing of Wall Street as a culture and her ethnographic exploration of its people, values, and structures. By taking an ethnographic approach, Ho (2009) convinces the reader that Wall Street not only creates its own culture, but it also permeates other arenas to perpetuate subcultures among America’s elite universities. Ho’s unique position as both Wall Street researcher and investment bank employee lends credibility to her study, as do her diligent field notes, large sample, transcribed interviews, and careful data collection methods. Her personal journal entries and field notes add personal reflection to the study, but I would have liked to have seen more of her autoethnographic analysis included. Her pre-fieldwork experience as a financial analyst at BT was more than just the opportunity to learn the finance language and mores of Wall Street, as she characterizes it. She did not capitalize fully on her own experiences and interpretations of what being on Wall Street was like, not only as a young analyst from an elite university, but also as a female and an Asian American, two underrepresented demographic groups in investment banking firms. Although she briefly

addresses the lack of diversity among front office workers toward the beginning of the book, her failure to include her own gendered and raced reflections in her analysis was a glaring omission.

Ho's (2009) writing is not for a general audience. The sentence structure, word choice, and overall readability are challenging and more appropriate for an academic audience. The text was adapted from her dissertation, and it remains perhaps too scholarly for popular consumption. However, those looking for deep insights into the culture of Wall Street and an example of an excellent ethnographic study will find rich data and rigorous methods in Ho's text. For those interested in more information, the [publisher's website](#) offers a description of the book, a table of contents, and several endorsements, as well as a link to watch Ho's appearance on the MSNBC program "Up with Chris Hayes." Readers may also preview the first 34 pages of the introduction via [Google Books](#).

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### Author Note

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