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What Does *Taking the Floor* Do? Commentary on Daniel Beunza's *Taking the Floor*

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Abstract

Daniel Beunza's *Taking the Floor: Models, Morals, and Management in a Wall Street Trading Room* is a carefully and well written book. It is clearly argued, and the ethnographic description flows nicely. Nevertheless, this is a book that left this reader thinking how one should understand it. This text expands on that puzzle. It asks what does this book do? The answer unfolds in three sections, the first explores what this book does in terms of its argument, the second does it in terms of its writing, and the third inspects the particular dramatization this book stages.

Keywords: SSF; sociology of finance; economic sociology.

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No doubt about it, Daniel Beunza's *Taking the Floor: Models, Morals, and Management in a Wall Street Trading Room* (2019) is a carefully and well written book.¹ It is clearly argued, and the ethnographic description flows nicely. Nevertheless, this is a book that left me thinking how one should understand it. This text expands on that puzzle. It asks, simply, *what does this book do?*

1 The Approach

Beunza has been an important contributor to the Social Studies of Finance (SSF) movement. His articles in collaboration with David Stark (Beunza & Stark, 2003, 2004) were some of the key contributions that helped to set this influential research agenda. Because of that, my first expectation about this book was that it would match the type of preoccupations and heuristics that characterize SSF work.

SSF studies were not simply about studying the “social” in finance — as it was for instance in the earlier New Economic Sociology literature (see McFall & Ossandón, 2014 for a comparison). In fact, it was openly “anti-social.” Inspired by Actor-Network Theory (ANT), the basic heuristic was that the social and cultural — norms, morals, etc. — do not explain; the explanation is in socio-technical networks: “you must pay attention to the ‘technical,’ devices, assemblages” (see Muniesa et al., 2007).

Well... this is how the book is described on the book's cover:

Debates about financial reform led to the recognition that a healthy financial system doesn't depend solely on how it is structured — organizational culture matters as well. Based on an extensive research in a Wall Street derivatives-trading room, *Taking the Floor* considers how the culture of financial organizations might change in order for them to remain healthy.

Taking the Floor, to use a convoluted formulation, performs an inversion of the inversion. Unlike the post-ANT studies of finance, it is all about culture. (Or, as MacKenzie, 2022, puts it in his contribution to this debate, paraphrasing Latour: it is baboon sociology!). If this book, then, is a social study of finance, but doesn't do the performativity-device thing of SSF, what does it do?

A plausible possibility could have been that this was a book of economic anthropology. It describes a long-term ethnographic study and culture plays a central role. However, and perhaps surprisingly, the book hardly engages with anthropology. Here you will not find lengthy discussions on Levi-Strauss or Mary Douglas and how they understand culture. What you will find are references to and discussions of sociologists' take on culture; for instance, Zelizer (2013) or Swidler (1986). As a reader, however, I got the sense that Beunza knew that he had to set this book in relation to this literature but that neither did he engage deeply with a cultural approach in sociology (this book is less strong, for instance, when expanding on how Weber understands culture), nor does this literature do anything much for his material. I would say that, even though it engages with it, this is not a book of cultural sociology or cultural economic sociology.

1. Editorial note. This text is part of the “Debate on Daniel Beunza's *Taking the Floor: A Sociology of Finance after the Social Studies of Finance?*”. The contributions were first presented in a meeting of the Finance Online Seminars organized and chaired by Emiliano Ippoliti <https://www.youtube.com/watch?v=WOf5szktYIg&t=2370s>. Contributions were transcribed and revised for *Sociologica*.

2 The Writing

A different way of exploring the question concerning what this book does is if we think about its writing.

The book describes a long-term ethnography, which surely will become an exemplary study. But there is something else. Unlike some of the most known studies in the SSF literature, for instance Mackenzie and Millo's (2003) work, Beunza does not conduct qualitative research of a particular financial industry. It is not a study of a firm. It is more than anything a study of one character, the trading manager Beunza calls Bob. There are many other figures — Bob's colleagues and subordinates — but Bob is surely the book's protagonist. Like Carlos Castaneda's *Don Juan* book series (1998), *Taking the Floor* narrates a master-disciple story. We follow Daniel's lengthy process of learning from Bob.

This is important. This book is not about the problems of other classical actors in the related literature. It is not about traders (e.g. Zaloom, 2006) and neither is it about the valuation of complex financial products (e.g. Lépinay, 2011). It surely touches on some of these issues; but it is mostly a book about Bob's problems, and Bob is a manager. The book is an *ethnography of management in finance*. Through Beunza's narrative, we learn about the problems of those whose task it is to find ways to better organize work, collaboration, and to delimit incentives and norms for those who work under their guidance.

The book, more specifically, focuses on two of Bob's problems. The first, which was also the issue in Beunza's earlier publications, is of how to organize collaboration in order to enhance better and more creative trading. The second, which is the main problem in this book, is an ethical and moral concern: how to better manage risk and responsibilities. To put it in simple terms: in the context of complex financial products, customers — here large firms — cannot fully understand the financial services they contract, and they are obliged to trust their financial intermediaries. Likewise, as products become more and more complex, not even financial intermediaries can fully understand the implications of the products they offer. In the industry, the usual approach is to confront these issues formalistically. It is the customer's responsibility to understand what they trade with, and financial organizations rely on the procedures of formalized risk management to hedge their uncertainty. What Bob teaches Daniel is a different approach for confronting these important problems. He would prefer, for instance, to share losses with customers and, rather than merely trusting formal models of risk management, to use local safeguards and judgement. In turn, what Beunza does is to conceptualize his master's teachings. The particular situation of current financial firms that do not take responsibility for their own services is theorized as “model-based moral disengagement,” and Beunza conceptualizes Bob's form of dealing with this as “proximate control.”

3 The Dramatization

This then is what this book does. Against expectations, this is neither an SSF-device type of study; nor is it simply cultural sociology. It is an ethnography of financial management. With this study we learn about the problems and challenges of managing trading, and the case provides an example of how some of these problems could be dealt with differently. The puzzle, in part, originates from the fact that this is not how the book presents itself. There is, however, something else this book does. To explain this, I might have to finalize this text in more conjectural territory.

As the writer Roberto Bolaño (2017) explains, in order to work, stories need to accomplish something more than merely be well written stories. They have to perform something outside the narrative. For instance, Bolaño's (1998) celebrated *The Savage Detectives* is both about a group of fictional poets in Mexico, and also constructs a particular persona for Bolaño the writer. The book is both a compelling narrative and also teaches us, the readers, how to read Bolaño's writing (Ossandón, 2020). Similarly, *Taking the Floor* does not only present what it narrates — a successful ethnography of financial management — it also dramatizes Beunza's invention of a new persona.

Of course, when conducting and writing about their fieldwork, ethnographers normally invent *dramatis personae* (e.g. Goffman, 1989). Here, though, I mean something else. As elaborated elsewhere (Ossandón, 2019), Deleuze & Guattari's (1994) notions of "conceptual persona" and "psychosocial type", and how Stengers (2010) uses them, provide us with a particular way of inspecting what social scientific contributions do. Theoretical innovations produce conceptual *personae*, the roles and scripts we enact when we use these concepts. For instance, Callon's performativity thesis comes with the instructions: when studying markets, forget culture and the social, pay attention to devices, which is, as mentioned before, the script SSF enacted. But, scientific innovations produce also, as Stengers (2010) masterly demonstrated it in her study of the figure of the physicist, "psychosocial types," that is scripts of how to behave in public, of how one should or could relate with other practices. Beunza's book, I am suggesting, does something at this level, and it is at this level where culture plays a central part.

This becomes clear by the end of the book, and is confirmed in some of his interventions after, for instance Beunza's (2020) apparition in BBC's *Thinking Allowed*, and in his online exchanges with Gillian Tett (2021). The last parts of the book touch on the post-LIBOR scandal context, where industry insiders started to think of some of the issues with finance as cultural problems; e.g., "to improve finance we have to change its culture." Beunza has actively engaged with this concern. However, he has done it in an intriguing way. What Beunza has done is to coordinate a series of seminars to teach industry insiders how to conduct ethnographies. This, I think, not only confirms that Beunza's interest is not culture as a sociological problem (to develop and popularize how recent sociological inquiry delimits and conceptualizes social issues as culture and to teach industry insiders about cultural sociology), but is rather those types of problem that practitioners label as cultural problems. It is precisely there where Beunza's book and more recent work seem to find a space for developing a new type of practice.

Beunza creates a new type of academic-practitioner who seems to claim: "If you [the finance insider] have a cultural problem, you need an ethnographer. This ethnographer will not lecture you on how sociologists define or conceptualize culture. This ethnographer will help you describe and understand how those problems you understand as cultural affect your practice." *Taking the Floor* does not only present an ethnography of management. By carefully staging the book's own ethnographer's learning process, *Taking the Floor* works as a demonstration of how this new type of academic practitioner works. This is, I think, what this book does.

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