tronic open outcry," digital "clerks" would route orders from the outside market directly into the pits, bypassing the army of clerks and runners. Electronic technologies would provide greater speed in filling orders and greater accuracy in accounting procedures. The possibilities of these new efficiencies were central to arguments both for maintaining and for abandoning the open outcry system. Brennan and Arbor's essential agreement that some degree of digitalization was necessary exposes their assumptions about technology. Each justified strategies that would eliminate human mediators from the market. Adding digital technologies to bring orders to and from the trading pits would decrease the cost of human labor for clients while allowing the traders to remain in the heart of the market. Arbor and Brennan's disagreements, and those among the members, focused on how well suited each technology was for achieving those ideals.

Election day arrived, and the traders brought these arguments to the ballot box. Their ties to the pits proved unbreakable. When the debates ended and the votes were tabulated, David Brennan won by only the narrowest of margins—608 votes to Pat Arbor's 598. David Roeder of the *Chicago Sun-Times* reflected on the significance of the election, "He won because the trading floor struck back, but his victory raises questions about whether the CBOT is stepping dangerously away from the global stage" (December 7, 1998). Within a month, the membership had reaffirmed the vote by scrapping the alliance with Eurex. Brennan moved quickly to dismantle the deal in favor of expanding Project A and to focus his attention on increasing electronic order flow to the pits.[15] Pat Arbor left to found an electronic trading firm of his own. He eulogized his last term in office in the *New York Times* business section on December 11: "The push for technology, I think, was maybe too much for the membership to digest right now. . . . This means that the old guard is back; they thought we were going too far" (December 10, 1998).

The election proved that pit traders were still in control in 1998. The exchange had created a method for hedging farmers' risks and perfected the related trading technique. One hundred and fifty years later, the pits had become much more than a rationalized and elaborated form for handling risk. Open-outcry technology and the daily performance of the market had linked Chicago's traders to its method of exchange.

* CHAPTER THREE

Social Experiments in London Markets

While the CBOT debated whether to go digital or retain the open-outcry trading system, Perkins Silver, a firm founded by Chicago locals, was maneuvering to take advantage of the electronic upheaval. The two directors, Eric Perkins and Philip Silver, founded the company in 1985 as a clearing firm managing the accounts of Chicago locals. Both men were closely involved in CBOT politics and management, and both watched with frustration as the CBOT swerved to avoid the coming of electronic trading. At the same time, they recognized how their company could take advantage of the opportunities in the emerging overseas electronic markets.

Eric Perkins saw a shift occurring in the global futures industry. The Chicago exchanges no longer dominated the futures industry in trading skill and knowledge. Perkins noted that both São Paolo and London had successfully adopted "the Chicago trading culture" during the past ten years. In London, moreover, the financial futures exchange had been built on the Chicago model, and the market was already populated with scores of Chicago traders. Although this may have posed a threat to organizations like the CBOT, Perkins knew that local trading populations in financial centers outside Chicago could provide human materials for Perkins Silver and other entrepreneurial Chicago firms. Silver and Perkins positioned themselves to take advantage of this experienced work force. They intended to hone the skills of the British futures and foreign exchange dealers along the Chicago model and train new ones who would ultimately supplant them according to their plan for diversity. They planned to set up an electronic dealing room in London that would bring Chicago techniques of trading to the electronic financial frontier.

Europe, in particular, presented a clear opportunity. Without the constraining attachments to pit trading that held back the CBOT, in London Perkins Silver would be able to bring Chicago-style speculation to the new

world of online markets in European futures. Perkins and Silver planned to provide market makers to these electronic exchanges, but with a crucial difference. The CBOT markets remained largely based in tight networks reinforced by friendship and family rather than the values of education and diversity. The pits did not necessarily reward formalized knowledge or professional commitment, and this financial shop floor was dominated by white men. Perkins and Silver decided that their company would improve on the CBOT markets by welcoming groups that had previously been excluded and set out to create a dealing room that was more efficient and open than the pits they were leaving behind. They brought in educated professionals, including women and minorities, to replace the working-class traders who had manned the London pits. They assumed that traders with these backgrounds and experiences—often the ones that prevented entry into the CBOT pits—could provide profitable readings of the market. According to the Perkins Silver philosophy, the academic approach of the new traders would help them to see new ways to interpret market activity. Their multicultural vision and neoliberal logic trusted that sound market behavior would have beneficial results. These criteria guided the Perkins and Silver's hiring practices as they began organizing their European expansion.

Perkins Silver opened an office in London to train traders to deal in European futures products and provide market makers to Eurex, LIFFE, and MATIF, the European exchanges. London's time zone is only one hour earlier than that of Germany and France, and it is populated with native English speakers. London already had traders who were well seasoned in the foreign exchange (also known as FX) and futures markets of the City of London, the financial district of England's capital city. Perkins Silver planned to use established London traders to seed their new operation, while training new ones who would change the social composition of the dealing room and thus generate diverse points of view on the market.[1] This plan was itself part of a broader pattern, and the Perkins Silver executives were not the first to bring Chicago-style speculation to London. Throughout their twenty-year history, financial futures exchanges in England had been planned and populated by Chicago traders and administrators. By the 1990s, the London futures market was an assemblage of economic forms from both sides of the Atlantic.

This chapter provides an account of Perkins Silver's entry into London and an introduction to London markets. It describes how the City's financial futures markets began with working-class actors and then began to replace them with university graduates. Next, it examines what happened when the Perkins Silver executives implemented their strategy to profit from new market actors, particularly by developing a professional cohort of traders that included minorities and women. The managers adjusted their goals to

the London context and implemented them in their hiring practices. But their ideas did not play out neatly. The traders who already worked in the London financial markets had their own ideas of economic action, and they, too, would have their say on the trading floor.

New LIFFE in the City

Although London had its own homegrown commodities exchanges for tangible goods such as metals, coffee, cotton, and sugar, the Chicago exchanges—the Chicago Board of Trade and the Chicago Mercantile Exchange (the Merc)—had been the powerhouses in commodity futures trading since the nineteenth century. The Chicago and London exchanges differed in the way they had established financial futures markets. The London futures markets had drawn their clients from firms, which discouraged the retail business of smaller players.[2] In contrast, the Chicago markets were heavily populated by local speculators trading mostly for themselves. The designers of the London market identified these locals as the source of the Chicago markets' famed liquidity, and they explicitly set out to develop such local talent to staff the pits of the new London exchange.

The development of the London International Financial Futures Exchange (LIFFE) and the cultivation of new London locals were part of a financial revolution that was taking place in England in the 1970s and 1980s. A move from "gentlemanly capitalism" to the new order of the "Big Bang" was in progress and supported by Margaret Thatcher's policies.[3] The Big Bang was technically a series of regulatory changes outlined in the Financial Services Bill that were put into practice October 27, 1986, and opened the City to new kinds of firms and traders. This transformation aroused conflicts that focused on the entry of new players and new organizational forms—particularly on the foreign ownership of formerly British banks such as Warburg and eventually Schroeder's and Barings—and on new financial products and the companies and individuals that traded them.

The death of an older style of British capitalism was marked by the demise of a figure that represented the values of the old city—that of the gentleman capitalist who, as political commentator Will Hutton describes,

> does not try too hard; is understated in his approach to life; celebrates sport, games and pleasure; he is fair-minded; he has good manners; is in relaxed control of his time; has independent means; is steady under fire. A gentleman's word is his bond; he does not lie, takes pride in being practical; distrusts foreigners; is public spirited; and above all keeps his distance from those below him.[4]

These characteristics may have fit well with finance before the Big Bang era, as Hutton asserts, but they did not describe many of the new actors who entered the City, least of all the new traders brought in to staff the foreign exchange rooms of merchant banks. The market in currencies led the way, welcoming working-class men with relatively little education. Soon financial traders were considering developing a financial futures exchange staffed by Chicago-style speculators to complement the currency markets thriving in London's banks. In 1977, John Edwards wrote a piece in the London-based *Financial Times* entitled "Speculators Are Made Welcome," lauding Chicago traders and considering the potential of such risk-takers for London markets, "It is the 'locals' operating exclusively for themselves, who make the U.S. markets so different from London, where all the business is channeled through member companies of the exchange," he wrote.[5] The article was a challenge to London to build an army of such traders. Leaving behind its own models of financial activity and organization, London focused its sights on the American Midwest to find the kind of trader who would populate the open outcry pits of the newly envisioned London International Financial Futures Exchange (LIFFE).

On July 27, 1981, an article appeared in the *Financial Times* entitled, "Can Financial Futures Traders Out Shout the Old-Timers in Chicago?" The reporter felt that "British bankers and other supporters of the London International Financial Futures Market are confident they can create a respectable complement for the more difficult financial futures markets in the USA." But these new British traders would be operating on Chicago turf. Traders who ended up on the LIFFE floor had "to adjust to an environment firmly based on the Chicago model," especially the pits, which were the key technology for the liquid market in American financial futures. The LIFFE managers, with consultants from the CBOT and the Merc, seeded the floor with a dozen "natives of Chicago" and implemented an educational program in speculation.[6] When the trading floor opened in 1982, a new kind of London trader had been ushered into existence.

The *Mail on Sunday* described this social shift: "The City has produced a new breed of broker. He swaps millions at the flick of an eye in the rainbow-hued Financial Futures Exchange. He's young and brash and sometimes without an O-level to his name."[7] The wild behavior and spending practices of the mostly working-class traders became legendary. In his autobiography, *Rogue Trader*, Nick Leeson, the most infamous of these traders, chronicled his exploits in the futures markets and bars of Singapore, which ended in the collapse of the venerable Barings Bank.[8] From the mid-1980s, London was no longer driven by English commerce and class ideals. The models for proper financial conduct derived from relations and tensions between City

norms and the new organizational forms like the LIFFE and the American- and European-owned banks. With the Big Bang, the City officially deregulated not only its securities markets but also it social space.[9]

Barrow Boys and Essex Men

As London opened up to new ownership of its merchant banks and became a more cosmopolitan hub, the City's futures and foreign exchange dealers were a strangely parochial group. These newcomers to the life of the City were known as "barrow boys," streetwise dealers from East and South London without the education and class of the "white shoe" financial firms and the Bank of England. The newspaper-reading public could also identify the barrow boys as representatives of the species "Essex Man." Simon Heffer, writing in the conservative *Sunday Telegraph*, coined this phrase to describe those who had delivered Margaret Thatcher to power and kept her in power. Essex Man signified the heightened entrepreneurialism and conspicuous consumption associated with the economic styles of the 1980s among a rising stratum of the English middle and working class. Essex Man was a key figure in the London of the 1980s and 1990s—so much so that the *Guardian* could admit, in an article entitled "Barings Blood Spreads Wider," (March 4, 1995), that in the initial analysis, "it seemed simple enough to blame the downfall of Barings on Essex Man."

The County of Essex, just to the east of the East End, became the migration site for working-class families whose crowded London neighborhoods were razed during urban renewal. Essex Man was a type related to images of an uprooted working class committed to bettering its economic prospects and showing off its success in its clothing, houses, cars, and women. Simon Heffer was quoted in an article by Nicholas Farrell in the *Sunday Telegraph* for November 10, 1991, saying that his interest in Essex Man had been piqued by a minister of Parliament who "had long been fascinated by the grim landscape of South Essex and its atavistically Cockney people. . . . It was his view that the affluent, industrious, ruthless and caustic typical inhabitants of South Essex were the shock troops of the Thatcherite revolution, the incarnation of the new economic freedoms she had bestowed upon a broadly ungrateful nation. I was inclined to agree."

Essex Man represented an intertwining of politics, class, and styles of consumption that confounded the appreciation for restrained behavior of England's tastemakers and social commentators. It seemed that deploring Essex Man on the LIFFE floor and in his home county united the commentators of the Tory *Daily Telegraph* and the liberal *Guardian*, who normally sniped at each other in their columns. The commentary concerning

Essex Man and his air-headed, Gucci-clad counterpart, Essex Woman, coded differences around consumption styles, language, and self-presentation as biological, implying that social conduct had a racial component.[10] The caustic terms imagined a new species that had resuscitated an earlier and more primitive form of humanity, presumably one better left to die. Heffer's "atavistically Cockney people" invoked a life form revived by a combination of free-market policies and City innovation.

Stories from the floor of the LIFFE made this discomfort understandable. In fact, the barrow boy traders seemed to pitch their raucous spending and new wealth directly against the dictates of upper-class taste. While British cultural commentators railed against him, Essex Man played against upper-class conventions.

The LIFFE floor traders spent lavishly what they earned—and, from their stories, some of what they may not have earned. Tony Healy, an ex-LIFFE trader working at Perkins Silver, told me that many floor traders treated "their trading accounts like bank accounts." Expensive lunches were the order of the day. The Mercedes showroom around the corner from the exchange thrived. Essex men famously donned designer clothes, particularly from Gucci (and now, with a swing in fashion, from Prada). Essex Man turned the virtue of thrift on its head. Barrow-boy traders spread the wealth they acquired, tilting the balance between saving and spending that creates a productive tension in a working capitalist economy.[11] Tony neatly summarized this ethic: "The more money you spent, the bigger a man you were."

The Perkins Silver traders who had worked on the floor of the LIFFE told tales of their erstwhile colleagues. There was Dickey, a South Londoner who ran his pit with an iron rod, and was reputed to have made 18 million pounds in one year. There was Frankie the Frenchman, a wealthy man who would repeatedly lose all his money and then return to France to plead with his father to refill his accounts. Other traders were given nicknames reflecting their personalities or appearances, such as Knobby and Freddy (like Freddy Krueger of *Nightmare on Elm Street*). In these tales, the British floor traders outstripped their Chicago counterparts in raucous revelry and under-the-table dealing. As one veteran told me, it was "a playground for grown-ups," and a paradise for "opportunists for wheeling and dealing."

The Perkins Silver traders who came to the City in this first wave of financial innovation mostly lived in Essex and claimed the working-class heritage Essex Man was reputed to have. They exaggerated the styles of working-class London. Having family that worked the docks on the Isle of Dogs (now covered in towering office buildings and called Docklands) lent legitimacy to their brash style and halting speech with its Cockney accents. Even those

whose background was far removed from manual labor appropriated the style. Billy, whose father is the manager of a soccer team, worked hard to prove his allegiance to these rude manners.

Others, like Trevor and John, came by their working-class style by being born into it. John, originally a South Londoner and an ex-FX dealer, had crooked and yellowed teeth, was skinny, and dressed with little care. His accent was so riddled with glottal stops that there seemed to be no meaningful utterances. Martin, on the other hand, embodied the successful Essex Man. He was in his early thirties and Perkins Silver's most prosperous trader. His elegant sweaters and expensive haircut trumpeted his success. He wore his success in his clothes, arrogance, and aggressive style and in the way he used humor to dominate his fellow traders with metaphors of homosexual penetration.

Knowing that the association of their occupation with such characters would tar them, other traders positioned themselves in explicit opposition to Essex Man. Darren, a currency trader at a large multinational bank around the corner from Perkins Silver, actively resisted the Essex moniker by explicitly defining his relationship to money, family, and style. Darren told me that he loves having the money that his success as an FX dealer brings, but he was quick to emphasize that he does not spend lavishly. He appreciates the potential of money without having to be a conspicuous consumer. He was disdainful of what he considered to be the obscene spending practices of many of the other foreign exchange and futures traders he knew. One had filled his garage with three Ferraris. Now he has nothing.

When and where the purchasing potential is or is not realized is critical to the aesthetics of capitalism, class, and masculinity.[12] The spendthrift ways of the City's newly wealthy traders were a positional claim about the value of money in relation to their upper-class neighbors who, as Hutton suggests, were no longer able to assert social distance from those below them. The claims to East and South London heritage and styles oppose yet are intimately connected to the members of the city's social clubs, just as the servant classes were (and are) connected to their employers. They redefined this relationship by embracing a working-class affect, accent and the linguistic turns of phrase of a market version of Cockney rhyming slang.

Representatives of the well-meaning middle and upper classes once ventured with reformist fervor into East London neighborhoods like West Ham and Bethnal Green to civilize the inhabitants, but in the trading rooms of the City, the reformers' vision of crude, base, unrefined humanity had already triumphed—and the Perkins Silver crew wore this badge of affiliation with pride.[13] The barrow boy traders of Perkins Silver purposely cultivated a crude aesthetic and made gritty, foul-mouthed masculinity a central part of

their trading selves. In the dealing rooms of London, Essex Man reigned, skimming undisguised filthy lucre from the global market.

Yet their opportunities did not last long. In 2000, LIFFE evacuated their trading floors under the competitive pressures of the German-Swiss exchange and online technologies.[14] The locals dispersed to the trading rooms and unemployment offices of London. All that is left of the LIFFE floor traders is the bronze cast of a man on the corner of Walbrook and Cannon Streets. The figure poses, legs widely planted, one arm flung out and head angled toward an outsized cell phone. His loose trading jacket is permanently spread in the wind that streams through the glass and stone funnel of the City's streets. The statue was erected in 1997 to mark the fifteenth anniversary of the London financial futures markets. Just three years later the pits were gone. The metal statue gives material form to the transition from open outcry to electronic trading in the City of London. By the millennium, the LIFFE floor trader had become the most recent casualty of the ascendance of electronic markets in financial futures.

At the same time that the LIFFE trading pits were closing, dealing rooms at large banks were replacing the barrow boys with more educated employees. The original barrow boys were associated with currency and futures dealing, markets that used fairly simple trading techniques. As financial instruments got increasingly more complicated, with swaps and options becoming more widespread, banks recruited university graduates to deal in these complex markets.[15] The ascendance of the educated group reasserted the class character of the City that the barrow boys had challenged. Many of these original currency dealers and futures traders found themselves without jobs as the LIFFE floor closed and dealing rooms in the City were reconfigured. These cast-off traders were very pleased to find work at Perkins Silver as their opportunities at other City venues closed.

A Perkins Silver trader who had been a LIFFE fixture explained to me that many of his buddies from the trading floor had tried and failed to make the transition to online trading. Freddy recounted the career trajectories of his friends who had left the LIFFE. Some had gone belly up and some were driving minicabs. "It is very hard to go from making ten thousand pounds a month to that," he lamented. He assigned dire percentages to the possibilities of success—40 percent of them had tried to move to screen trading, and about 85 percent of those had now quit. Freddy himself was struggling with the transition. I later learned from him that he had had recently had his best month yet on the screen. He had made a scant eight hundred pounds in profits. Joshua Geller, whose experience as a trader, trainer, and manager lent more credibility to his estimates, painted a similarly bleak picture of the transition from pit to screen; 5 to 10 percent would succeed, he offered. Yet

3.1 The LIFFE floor traders are memorialized by this bronze statue that stands on a corner near the defunct trading floor. Photo by author.

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at the same time that Perkins Silver was hiring the barrow boys to try their luck in online futures, the managers were also participating in the professionalization of the City that was displacing these same actors.

American Trading in European Markets

As LIFFE went digital and the old markets closed, Perkins Silver sought to step into the void and supply some of the liquidity that the London locals had supported in the rough and tumble pits. Not only the LIFFE but also Eurex and MATIF needed online market makers to ensure that customers would find consistent markets on their exchange. Focusing on Eurex, the largest and potentially most lucrative of the three markets, Perkins Silver planned to capture 5 to 10 percent of the business on that exchange. More than that and "we would be trading with ourselves," Adam Berger, the lead Perkins Silver manager and strategist, told me. With the expertise of Chicago locals, Perkins Silver was positioned to skim profits from the transactions that flowed through these exchanges.

As Perkins Silver was opening its office next door to the LIFFE, the pits that writhed below its windows were slowly dying, and the Chicago model of speculation was disappearing from the trading floor. But it was reappearing online as the Perkins Silver dealing room adapted to the new context of electronic markets for European financial futures. Yet the pit-trading techniques by which Chicago traders and Perkins Silver founders flourished were not easily transposed to the London marketplace or to the new regime of online trading. The face-to-face auctions, where the Perkins Silver founders had developed their talents, thrived on the controlled chaos in the pits. In contrast, electronic futures markets link traders in a neatly networked web of dealing rooms, in which market transactions are played out not in shouts and frenetic hand gestures but through the boldface type of constantly changing numbers on a graphic user interface. Yet neither the Perkins Silver executives nor the futures and foreign exchange traders who staffed their dealing room had much experience with online trading. At the same time, this radical break from open outcry trading technology provided an opportunity for Perkins Silver's managers to advance their ideas for improving the composition of the dealing room by recruiting new kinds of traders. In this new technological and social environment, what resources could Perkins Silver draw on to pursue its ambitions in the new markets?

The challenge facing the managers and trainers of Perkins Silver was to translate Chicago-style speculation not only for the London lads who would staff their dealing room, but also for the emerging technologies of online trading. The Perkins Silver executives were not content simply to reproduce the population of the Chicago pit, which they perceived as composed of destructive cliques. In their view, the insular networks corrupted the purity of the market and excluded potentially profitable traders who lacked the personal contacts or did not fit the ethnic or gender profile that allowed access to trading jobs. Perkins Silver wanted to build a trading team that would be most effective in the market and that would correct imperfections in the Chicago markets. They would substitute abstract principals for personal recruiting networks. Their recruitment and training strategies were based on professionalization, American-style multiculturalism, and meritocracy. The Perkins Silver managers planned to engineer the social content and context of their dealing room to create an efficient trading machine.

Recruiting Futures Traders

The new traders were the raw materials from which the managers constructed a Chicago-style trading room in London, planning the social content of the trading room to draw profits to the firm. Particularly, the Perkins Silver managers sought to take advantage of the underutilized trading talent of new university graduates, minorities, and women. They believed that individuals from these groups would bring new perspectives to reading the market, allowing Perkins Silver to profit from their elimination of barriers to participation based on race and gender. The Perkins Silver strategy was based on the idea that education, experience, and membership in different racial, ethnic, and gender categories and levels of education shaped each individual's vision.

The Perkins Silver trainers set out to recruit traders. Adam Berger and Joshua Geller, the two leading Perkins Silver managers, had clear ideas about who would make a good futures trader. The most obvious were those who already had some proven record in the industry. In London, these were mostly currency traders recruited from investment banks and futures traders from the floor of the LIFFE. With their dealing skills in place, these traders would have to reorient themselves from the telephones of foreign exchange dealing and the face-to-face world of the pits to a new focus on the screen. Perkins Silver recruited many barrow-boy traders who had been laid off as the City labor market sought university graduates.

Adam and Joshua interviewed some who applied in response to newspaper ads or word of mouth. The managers sought people with certain "personality characteristics" that they used as proxies for undeveloped trading skill, even while acknowledging that, as one of the codirectors of the firm told me, "no profile assures that someone will be a good trader." Joshua had a list of traits they required, drawn from the executives' collective experi-

ence and knowledge of traders on the CBOT trading floor. They looked for recruits who worked with aplomb under pressure, were "dogged," ambitious, and had decent math skills. The managers preferred their recruits to be single. They observed that trading was a more difficult and stressful task when a family's budget was on the line. A speculator should not be worried about such "extraneous" matters as whether he will be able to pay for his wife's car or the family vacation.

The Perkins Silver managers were also looking for risk-takers. Joshua told me, "Give me a room full of outsiders. Immigrants. People who came to the city with no friends. People who are hungry." Some of the traders he had recruited for the Chicago dealing room served as models for his London endeavors. Two prime examples were a woman who had worked on attack helicopters in the Persian Gulf and a young man who had grown up in one of Chicago's most notorious housing projects and was determined to escape his poor neighborhood. Joshua saw material desires as evidence of ambition and drive. One of the directors of the firm was impressed with a woman who told him she wanted to be a trader because she had expensive taste. For their newest cohort of traders—the one that I was to join as an anthropologist and neophyte futures dealer—they were bringing in "graduate trainees," a group of young men and women between the ages of twenty-one and twenty-five with university degrees. The Perkins Silver innovation was to build a group of traders that would have diverse ways of reading the market.

In mid-September of 2000, the new group that Joshua and Adam had assembled was gathered in the conference room in the Perkins Silver office. From appearances, it was a truly motley crew. Sitting next to me at the back of the table was Paul. He slouched in his chair with his knees wide apart and arms crossed, showing off his thick rings, one with a polished black stone set against his pale skin. His cagey style masked his rigorous training in math and science at Imperial College. Next to us, two neatly dressed white women were flanked by a thirty-something man with an early Beatles-era haircut and a tall, round-faced black man with short dreadlocks and a Midlands accent. Two small Asian (Indian) men, a sleepy, male Orthodox Jew, and I, "the American girl," completed this group. The thirty-something man was our group's sole representative of the barrow-boy traders who dominated the trading room we were all about to enter. Trevor had worked for eleven years as a foreign exchange trader, been laid off, and spent a year traveling in Asia to tourist spots already filled with British vacationers. He broke the silence in the room by spitting out a question in a thick Cockney accent: "OK, so who are the drinkers here?" He assumed he would get a ready, affirmative response. But instead of pointing to themselves and making a date to go to the pub after work, many of the new traders looked furtively around the room. "Drinker" was apparently not the image they wanted to declare to their new employers and colleagues in their first day on the job. Matt broke the uncomfortable silence with a soft chuckle and a light statement of self-incrimination. Sarah chimed in, "I've been known to have a few." The rest of us fidgeted while we waited for the managers to appear and take control.

After about twenty minutes of early morning quiet, Joshua Geller and Andrew Blair, the London risk manager and trainer, entered the room. They complemented each other. Joshua's energy spilled out of his wide smile. His fringe of hair circled his head electrically. Andrew, himself a currency trader in London markets for sixteen years, meandered through his introductory speech, finishing his statement by articulating, with a schoolmistress's stridency, a zero-tolerance policy for drinking during work hours. Alcohol, the managers believed, gave traders a sense of false confidence, and the traders' weakened judgment could cost them profits.

After the initial introductions, the training started. Many of the recruits had never been in a dealing room before and had little experience with finance. But the Perkins Silver trainers understood that deep knowledge of the financial products was not necessary to trade successfully. According to the Perkins Silver executives, and many other traders I interviewed, a good trader could deal in any product. The particulars of the contract itself were not important; a good trader has mastery over the techniques of speculation. So the Perkins Silver trainers focused on producing speculators, not experts in government debt products. Their techniques emphasized creating new relationships to the self and instructed the new group in the particular skills that futures dealers use. They did not on insist on technical mastery of the internal workings of financial instruments or their theoretical bases.

The lessons started out simply, with questions like: What is a bond? What is a futures contract? But the curriculum quickly moved beyond that to explain the two techniques that most of us would use to trade in our own accounts: "scalping" and "spreading." Both techniques focus on the profits to be made in the daily fluctuation of futures markets. Scalping focuses on the price movements in a single contract. The scalper buys contracts that he expects to rise in price, or at least that he anticipates being able to make money by buying at the bid and selling at the asking price. Spreading, in the form we were to practice it, takes advantage of the difference in volatility between bonds of different durations. The Perkins Silver managers directed most of their traders work with spreads in ten-, five- and two-year German Treasury bond futures nicknamed the Bund, Bobl, and Schatz. The price of a ten-year bond is more volatile than that of a two-year bond because the longer time frame presents more opportunities for changing economic conditions and involves greater uncertainties. A spreader takes opposite positions in

each of two instruments, using the more stable contract to limit the loss potential of a position in the more volatile product. These techniques take no more than a day or two to master conceptually. For traders whose computation skills were slow, "cheat sheets" were available that did the work of calculating the initial position of the spread.

Joshua advised that we pursue other training techniques on our own time. Particularly, he suggested playing video games. Minefield was a favorite of Joshua's. We spent the mornings in class and the afternoons in developing our skills on a program that simulated an arbitrage market. Glued to our screens, we simulated buying and selling cotton futures in New York and London. Later we graduated to trading with real data from past LIFFE markets. Each program tallied up our wins and losses in discreet rounds, as in a video game. These mock markets allowed us to develop online trading skills before "going live," armed with Perkins Silver cash. These programs taught the group some fundamental lessons about the gamelike character of trading and the intense focus necessary, as well as sharpening our hand-eye coordination.

The physical demands of online trading centered on the ability to recognize visually a profit opportunity and implement a decision to buy or sell by clicking a mouse. One crucial problem we had to surmount during this period was known as "fat fingering"—clicking the right button on the mouse rather than the left. Although this has little consequence in a word processing or spreadsheet program, in a live market it is critical. The left button allows the trader to join the bid or offer. The right button, the danger button, sells directly into the bid or buys the offer, establishing a position opposite to the one the trader intended. Establishing control over these opposite intentions embodied in a quick, sharp twitch of barely separated fingers at first took much concentration. Even the more experienced traders sometimes suffered from lapses in manual control. "Ahh, I've fat-fingered it," an unlucky trader would cry with disgust, desperately trying to get out of his position before the losses mounted.[16]

After these basic physical skills were established, trainers provided techniques to help the new recruits evolve from malleable university graduates into seasoned, Chicago-style speculators. The managers recognized that this required creating a bridge between the Chicago and London offices to bring the techniques of the Chicago managers into the London trading room and make their British recruits subject to inspection and evaluation by Chicago management.

Andrew was in charge of managing the London traders. Philip, the cofounder, had recently moved his permanent residence to London and spent his days in an entirely glass-enclosed office. Rumors about him circulated more quickly than futures contracts. He had a mansion in Belgravia, an extensive art collection, and more women than he could fight off. Philip would occasionally venture into the dealing room and trade on a terminal at the edge of the room rather than the one in his office, to get a sense of what the "room was doing." He was also available for advice and discipline. Even with Philip present, the traders had contact mostly with Andrew, Joshua, and Adam. Joshua and Adam were based in Chicago but spent one week of each month in London. Their visits maintained a connection between the London and Chicago offices and established a virtual presence in London. The Chicago managers had constant live access to the trading accounts of all their traders in both Chicago and London. Adam dropped in daily on tape to give lessons on the techniques of speculation. On the television screen, he paced back and forth in front of a group of fledgling traders in Chicago, pausing to write statements of trading philosophy in capital letters on the board behind him.

But neither these techniques nor the Perkins Silver vision of a professional, egalitarian market were easily implemented and absorbed. When the graduate trainees entered the trading room, they encountered the sixty traders already stationed at their trading terminals. The tensions between the Essex Men, the graduate trainees, and their overseers were high. The graduate trainees represented the educated classes that were replacing the barrow-boy traders throughout the City and were part of an American, multiculturalist program that the barrow boys rejected. Perkins Silver compounded these distinctions by creating special arrangements for the new group. The managers dedicated two rows of trading desks to the graduate trainees, separating them from more experienced traders. This separation helped the new traders cohere as a group and it also worked to preserve their unique work habits. The managers wanted the graduate trainees to adopt some of the existing dealing techniques and attitudes, such as adopting aggressive postures in relation to the market, while avoiding others.

The Perkins Silver managers changed the pay structure for the graduate trainees to avoid some other problems of managing an independent workforce. The barrow boys' pay was based on the model of the local trader; as independent contractors, most of the traders in the room traded the firm's money for a percentage of their profits. This percentage was individually negotiated between the trader and the management on the basis of the trader's success. This structure gave the barrow boys a lot of control over their work hours. They could come in when they wanted, leave when they wanted, and vacation when they wanted. They were subject to reprimand if they were chronically absent, if their profits fell off, or if they were not practicing the firm's techniques of speculation, but many maintained loose schedules. I would arrive at the trading room at 6:45 in the morning, but the room was

sparsely populated until 10:00 a.m. The glow of computer screens that normally illuminated the room came only from the full row of graduate trainees at that early hour.

This flexibility was frustrating to the Perkins Silver managers, who wanted to develop a workforce committed to practicing speculation as a profession. Some of the best traders did not come in until close to 1:00, when the Chicago markets would "wake up," or come online at 7:00 a.m. Chicago time. Among them was Pat, one of Perkins Silver's best earners. She had been the only woman on the trading floor before the managers brought in our group. She'd stride in after noon on painfully high heels and plunk herself in the chair at her workstation, which was adorned with fuzzy pink beasts. She was always gone by 3:00 when the market began to slow. After she left her desk, her screen saver reminded the room in three-dimensional swerving letters, "I've cleaned up."

The arrangement for the new recruits was meant to remedy what the managers believed was a lax attitude toward producing profits for Perkins Silver. The graduate trainees were required to be at their desks before the market opened at 7:00 and remain there until 4:00. They received a set number of vacation weeks and a bonus determined by performance. While the graduates accepted this arrangement, it enraged Trevor. With his eleven years as an FX dealer, he believed that he deserved the straight percentage deal on which his buddies in the room operated.

The tensions between Essex Men and the new forms of Chicago-style interaction played out in their relationships with the graduate trainees. The older traders assigned nicknames to the new traders. Two in particular stood out. The first was "The Fetus," their name for Paul, the young, arrogant, and seemingly natural trader. The barrow boys saw themselves in his swagger. The other was for Jason, the Orthodox Jew who would leave around 2:00 p.m. on Fridays to make it home before sundown. Jason got the nickname "son of Adam," supposedly because he bore some physical resemblance to the disliked top manager, though I could discern none. The barrow boys' discomfort with the characteristics of the new cohort were played out in the marking of Jason and Adam as Jews—different from the barrow boys and beyond the boundary of the acceptable types of traders, according to their own definitions.

Women in the dealing room also challenged this boundary. One of the issues that dominated the management of the trading floor in the fall of 2000 was the use of the word "cunt." Although it is used more blithely in Britain than in the United States, it was particularly obnoxious to Perkins Silver managers. They insisted on excluding the word from the trading room to make the atmosphere more comfortable for the newly minted female traders. In the service of profits, the managers believed that the women should have a space where they felt comfortable in expressing their views.

The barrow boys, however, tried to keep the women feeling "out of place" in the dealing room. The saturation of sexual language of male domination demands of women "a physically impossible performance."[17] In an all-male trading room, "cunt" could be construed as a metaphor for the market or for a particular competitor, usually a man. However, in the presence of women, the insult slips uncomfortably, but perhaps intentionally, toward its referent.

This slippage did not seem to bother Pat, the original female trader at Perkins Silver. She took up the cause of the word with fervor. She rejected the management's idea that the term might disturb her. She did not want to be singled out as a woman, but kept her identification with the barrow boys with whom she shared history, class, and, of course, Essex. In the conflict, the word became a protest against the feminization of the dealing room and, therefore, the social experiment of the Perkins Silver managers. The managers' challenge to their swearing was a signal of the barrow boys' dislocation. Women in the dealing room were an assault on their already tenuous position in the City. The barrow boys and Pat protested by defending their market lingo.

Essex Boys, Germans, and Chicago

While these conflicts exposed divisions in City trading rooms, another set of competitors was emerging online. The Perkins Silver traders were not trading exclusively with people whose habits and fears they knew, as they had on the LIFFE floor or over the telephone networks of foreign exchange dealing. Online trading networks stretch over the globe. Traders rely on knowledge of their competitors to orient their own trading strategies; in the rhythms of the changing numbers on their screens, the Perkins Silver traders constructed virtual competitors. They identified the competition by drawing conclusions about their trading styles from national and regional characteristics that they observed.

In the market for German bond futures, the groups that the Essex traders competed with were "the Germans" and "Chicago." They had daily nationalist battles with their German and Chicago counterparts. Essex was a locus of identity for Perkins Silver traders who felt their trading prowess was related to their social origins. They drew on their own national and urban identities as streetwise English lads to do combat with their Chicago and Frankfurt counterparts in a market that operates on foreign territory—the German Treasury bond futures market.

The language the traders used to identify these groups linked local iden-

tities with trading styles. The Germans were closely associated with an imagined set of national qualities such as dishonesty and inflexibility. The Essex traders suspected them of collaborating with their government to gain market advantages, especially in what they saw as the absence of street-smart trading skills.

The market is ruled by the logic of time zones that are coded by national and regional participation in the German bond futures market. The Perkins Silver traders often griped that the timing of market movements conveyed that the Germans had inside information from the Bundesbank or the group of banks that sets rates for German bonds. The Germans were the subjects of the Perkins Silver traders' narratives in the hours between 7:00 a.m. and 1:00 p.m. London time, when the Essex Men and the Germans were seen to be the majority of players in the market.

This changed daily at 1:00 p.m. Unlike the Germans, "Chicago" was not identified with its national government. Instead, Chicago traders were identified as a collective always referred to by the name of the city where financial futures trading originated. Perkins Silver traders admired members of the Chicago group for their aggressive style of speculation. The markets were often said to be "more interesting" after 1:00 p.m. Along with Pat, several of the most successful traders chose to arrive shortly before then. These traders claimed that the afternoon hours gave the best opportunities for competition because Chicago brought larger volumes and more skillful trading to the market.

Chicago's involvement also gave clues to the identities and strategies of yet another set of market actors. In the Perkins Silver dealing room, a cable line connected Perkins Silver to the pits in Chicago. When the bond futures pits were open for business, a speaker on the Perkins Silver floor funneled the bids, offers, and final prices into the dealing room. A man with a flat-voweled Midwestern accent called out the bids and offers and occasionally the identity of a bank. The Perkins Silver traders derided the predictability of the big financial houses' strategies. When the nasal voice called out, "Merrill's a seller," a jaded reaction followed. "Did you hear that, Billy, Merrill's selling?" Billy responded in mock surprise, "Yeah, fancy that." In fact, Merrill Lynch's selling became an ongoing joke. This information oriented the Perkins Silver traders to the players in the market and added to the notion that these actors were consistent. These clues helped traders imagine and identify patterns of action in the market.

Displacements

Tensions between a particular kind of localism and the effects of the globalization of populations and markets were felt simultaneously within the Perkins Silver dealing room and in Britain more generally. While the Perkins Silver traders were negotiating the tensions between barrow boys and the new recruits, the shape of British multiculturalism was being debated in the government and in the newspapers. An independent think-tank called the Runnymede Trust delivered a report developed by the Commission on the Future of Multi-Ethnic Britain to Home Secretary Jack Straw. The two-year study called on Britain to reconsider the concept of "Britishness." Objecting to the racial coding of the nationalist term, it stated that the idea of Britishness was "southern England-centered" and that it potentially excluded millions from the "national story and national identity." The race-based language and concerns of the report elide the British concern with class. The usurpation of the privileged category of underprivilege was echoed in the tension between the Perkins Silver barrow boys and the new, multiethnic graduate trainees. While this report framed the tension between inclusion and exclusion in terms of the political identity of the nation, the Perkins Silver managers were importing the same logic of race and difference under the mantle of the market.

The Market and Multiculturalism

The Perkins Silver managers constructed their dealing room to create a cohort of professionalized traders within an American-style, multiculturalist paradigm that resonated with the Runnymede Trust report. Perkins Silver hired Asians, blacks, and women, all of them educated, to bring in different views of the market. According to this logic, the categorical differences of each trader would lead him or her to interpret the market differently, providing a range of insights into the market's actions. This committed and diverse professional staff (certainly different from the population of the Chicago pits from which the Perkins Silver managers came), coupled with Chicago trading techniques, would, they hoped, help their fledgling operations prosper.

The Essex traders, their new colleagues, and their bosses clashed over defining the appropriate economic subjects for a global market. What characterizes the kind of person who operates responsibly and effectively in electronic financial futures markets? This was not an obvious question for Perkins Silver, the CBOT, or the London financial world. Early in the process of building the financial futures market, Chicago had a dominant role. In the first wave of innovation, the LIFFE set out to copy the Chicago model. But the electronic environment demanded further adjustments. Rather than reproducing the Chicago model, Perkins Silver set out to correct for the market imperfections of the pits by creating a dealing room more closely in line with

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market ideals. The Perkins Silver founders and managers worked to make their trading room conform to the image defined by their market ethic, using ideas at the intersection of American multiculturalism and capitalism.[18]

Just as electronic trading forced the CBOT to reconsider its commitment to open-outcry technology, the ascendance of futures trading outside of the Windy City forced a new perspective on Chicago's cultural resources. To create their own trading room based on electronic technology and physically distant from their home institutions, Perkins Silver managers had to isolate the key characteristics of Chicago-style speculation that they would bring to London markets.

These displacements gave the Perkins Silver managers a new perspective on the norms and practices of the CBOT. The London traders and electronic markets were simultaneously familiar enough and different enough to show Chicago traders what was unique about their own methods, techniques, and the mushy but significant area that Eric Perkins identified as "Chicago culture"—the set of relationships to the self and to competitors interwoven with the trading techniques and the orientation to risk that were rooted in pit trading. The synthesis of nearness and remoteness enabled the Perkins Silver executives to develop their own trading techniques, modifying them for new technologies and geographies while identifying and retaining what they viewed as the key elements of Chicago-style speculation.[19] Their approach blended Chicago techniques with new techniques and practices rather than simply transferring them to a new location.[20]

Perkins Silver tried to perfect its approach to trading by professionalizing speculators while establishing a cohort of mixed ethnicity, race, and gender. According to crude anthropological notion that the Perkins Silver managers implemented, these differences would generate novel perspective and interpretation, a process that they believed would lead to more profits. The Perkins Silver managers were linking a basic market notion—that opposing views build a liquid market—with the values of professionalism and diversity.

* CHAPTER FOUR

The Work of Risk

Risk is the business of the futures industry. From the trading floors of Chicago to the corporate Eurex offices in Frankfurt, futures markets manage risk.[1] The temporal nature of risk, particularly the way disjunctions between the present and the future create situations of fundamental uncertainty, is a central problem for planning and control.[2] As hedging tools, futures contracts work to "colonize the future," limiting dangerous exposure by bringing the problem of future prices under the influence of the present.[3] Futures exchanges are quintessential modernist institutions: the contracts traded there bring the contingencies of passing time under human management.[4]

Yet there is another side to risk. Risk reaps reward—in money, status, the elaboration of the social space of markets, and the construction of a masculine self. A close examination of the uses of risk on the dealing room floor at the Chicago Board of Trade shows the productivity of risk in the construction of financial space and in the elaboration of economic selves. Financial speculation is an active, voluntary engagement with risk. Risk-taking and thrill-seeking behavior can be seen as challenges to the constraints of bureaucratically organized social routines.[5] In this light, it is a dissident practice, a critical contestation with the regimentation of modern life. To work with risk is to engage fate and to play with the uncertainties of the future. Engagements with risk are more powerful than an interpretation that emphasizes spontaneous actions in the context of bureaucratic control would imply. Risk is a constitutive element of contemporary power and economic practice. The work of speculation shows that the complex practices of economic risk-taking are exemplary acts of contemporary capitalism that configure markets and shape speculators.

The productivity of risk takes several forms in the organization and practices of financial futures markets. The first aspect of productivity is located in the infrastructure and organization of futures markets. Following actuarial logic, financial risks require management, a service that the CBOT pro-

vides. The CBOT creates the contracts and establishes a market in financial risk that allows bankers, agribusiness, and others to protect themselves against changes in interest rates, exchange rates, and the weather. Economic organizations like the CBOT define, support, and routinize risks as they bring financial markets to life. They create contracts, match orders to buy and sell, perform accounting functions, and operate worldwide markets. The CBOT packages and channels financial hazards, providing risk management to shift the danger and the potential of the market from its clients to individuals or groups that specialize in profiting from risk. The organization creates both markets in futures contracts and a population of speculators who trade in risk products.

Rationalized risk-management markets establish the conditions for speculation in financial contracts. But risk-taking does not become routine for speculators. It retains the thrill of gain and loss. Traders must learn to manage their own engagements with risk and the physical sensations and social stakes that accompany the highs and lows of winning and losing. Traders come to these markets, hotbeds of profit and loss, to try their skill on the financial high wire. In the pit, they work to perform a kind of alchemy—turning risk into profit. The tightly regulated markets of the CBOT create the conditions that make speculation possible. Aggressive risk-taking is, therefore, established and sustained by routinization and bureaucracy; it is not an escape from it.

In the trading pit, risk-taking helps to generate two levels of action. First, aggressive economic risk-taking is crucial to the social and spatial constitution of the marketplace. The conflicts and contests among traders constitute the competitiveness of the marketplace. The traders sustain the market and, at the same time, the market produces risk-takers. In the pit, a particular kind of self is manufactured in relation to financial action. Risk is the object that traders use in their individual projects of self-creation and re-creation. Traders manipulate risk to manage their identities and establish status in the eyes of their competitors. These practices produce subjects who can sustain themselves under high-stakes conditions to draw profit from economic risk. The ascetic practices and social displays of virtue enacted in the pit describe a capitalist ethic that centers on the mastery of the self under conditions of hazard and possibility.[6]

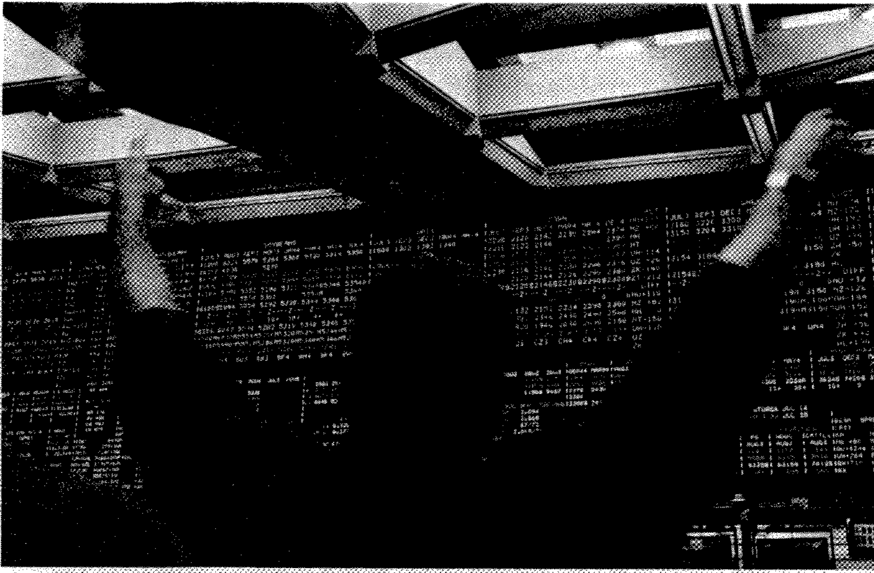
The perspective on risk generated in the trading pit diverts attention from the negative consequences of uncertainty and refocuses it on what is to be gained by taking risks.[7] In futures markets, the obvious reward is money. Risk-taking includes the potential of creating wealth. But even in financial institutions, it does not end there.[8]

Financial futures traders work within a carefully defined market sphere and within radically short time frames, often moving in and out of a single trade in a matter of seconds. The self-fashioning of these risk-seeking actors is not an ongoing process of reorienting calculations to a market logic; financial calculations are always present. However, with each trade, dealers wager much more than money. Their market engagements are significant social games, a form of "deep play" in the heart of capitalism.[9] Each trader displays a risk-taking self that his competitors, the market, and he himself will judge. The pit is an exemplary situation where character is gambled along with money.[10] In that space, traders subject themselves to the judgment of their peers, who will see them as successful risk-takers or as ineffectual losers unable to engage the market productively.[11] These games of risk gain their significance from the fact that a trader voluntarily places himself under threat of annihilation. The potential reward of success is the creation of a newly defined person in the eyes of the pit.[12]

On the trading floor, Foucault's "limit experiences" meet daily market reality; traders meet a situation of "maximum intensity" in face-to-face competition, and confront the "maximum impossibility" of seeing into the future. Futures markets as risk-management organizations identify the limit of economic reason—the impossibility of calculating future events—and provide methods to contain, objectify, and understand that uncertainty. Yet there is an ecstasy in expressing and engaging these limits.[13] The passionate play with the boundaries of the self and reason—on the edge of financial possibility—is the social stake of the trading pit. Traders who operate at the heart of modern capitalist economies take risks with money and self everyday. For speculators, retaining their integrity and identity is often a mark of successful work at the limit. At the edge of annihilation, surviving financial peril is enough. Situations that package and circulate well-defined risks, like the CBOT markets, are stages where modern actors play out these critical games of self-definition.

A futures contract is a binding agreement to buy or sell a commodity at an agreed-upon price several months in the future:[14] a farmer can lock in the price to be paid for his crop, or a mortgage broker can know what price he will have to pay for bonds at year's end. Futures contracts can be used to neutralize the possibility of loss from unpredictable events. Hurricanes, floods, interest-rate hikes, a falling Euro, or a presidential embarrassment can all affect prices in agricultural and financial commodities. Futures exchanges around the world provide products that harness the risk of these potential events. Futures contracts render the future subject to planning.[15]

As hedging tools, futures contracts protect against the negative effects of risk by formulating specific price risks and constituting rationalized techniques for their avoidance. From this perspective, we can view futures contracts as insurance, or as technologies of risk management, and this depic-



4.1 A grain trader quotes a price to the pit. Prices for the CBOT's agricultural contracts fluctuate on the electronic boards in the background. Photo by Bob Davis.

tion of risk management is how futures exchanges justify their markets.[16] The video that the CBOT shows in its visitors gallery begins with an interview with a farmer, followed by shots of his corn field, before it finally cuts to images of a mortgage broker at work in his office helping his customers purchase their homes at low interest rates.

The use of futures contracts to alleviate risk for farmers and users of grains soon spawned a secondary speculative market in contracts. The original members of the Chicago Board of Trade made and lost fortunes on the variations in Midwest commodity prices without having a stake in the contents of a grain elevator. The CBOT became a place where professional risk-takers gathered to buy and sell contracts, not grain. As the Chicago futures markets consolidated and grew to encompass contracts based on U.S. Treasury debt, these speculators created a continuous, or liquid, market where anyone who wanted to trade could buy and sell futures contracts.[17]

Economics tells us that liquid financial markets, like those in Chicago, London, and Frankfurt, transfer economic uncertainties to speculators, the market's risk specialists. In the language of futures markets, these speculators perform a critical function: they "absorb" the risk that hedgers want to "lay off." The organizations that provide the opportunity to avoid the effects of risk also generate the ability to make a living by taking risks.

In the past, speculators had often been in the business of producing the commodities before they entered the speculative melee.[18] But, this connection between commodity production and futures trading has become more and more abstract. Traders joke about the attenuated connection between speculators and the underlying commodities they trade. Grain traders kid each other about forgetting to sell all the contracts they own. A truck, they declare, will show up at the trader's home and dump a container-load of corn on his front step. This image is funny to traders because the trader's relationship to the physical commodity is so distant. Contracts based on the Dow Jones Industrial Average Index and the debt of the United States government (now the most widely traded markets at the CBOT), rely on an abstraction similar to that of contracts based on future yields of Kansas wheat, a distance from production that points to the central place of exchange in speculation. On the grain floor or in the financial trading room, knowledge of oat markets or macroeconomics is of limited use.

Speculation is a skill of its own that comes from the ability to negotiate the social layering of the pit and create a self that can read and react to rapidly changing market information. These are the keys to mastering risk and taking profit. Each pit and product has its own distinct characters, power dynamics, and rhythms. However, traders claim that a good speculator can trade in any market.

Speculators use futures contracts to exploit rather than to allay risk.[19] Speculators do not fully own the contracts they buy and sell. Instead, they buy and sell contracts "on margin." The CBOT requires each trader to keep a bank account with a balance correlated to the value of contracts they trade. This balance, or margin, assures the trader's ability to pay for losses he may incur during the trading day. Margins are adjusted every night. A trader who has sustained major losses may get a margin call requiring him to deposit funds into his account if he wishes to continue trading. With margin, traders do not have to commit to buying the product and do not need to have the cash necessary for the complete purchase of the contracts. They look for the short-term gain in price fluctuations apart from any ownership of a financial or agricultural commodity. They reap the rewards (or sustain the losses) from the price changes as the contracts pass through their accounts.

In March of 2004, more than 51 million contracts changed hands in CBOT markets. The CBOT estimates that only 3 percent of the trades made on its exchange end in "delivery," when the manager, farmer, or corporation actually takes possession of the bonds or grain shipments that lend their value to the futures contracts. Thus, almost all of CBOT trading business can be considered speculative.

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Watching and Being Watched

The strategies traders use to make a profit develop in the specific social and informational contexts of CBOT markets. In the pits, traders watch each others' moves and create a public definition of themselves as risk-takers by performing for the watching eyes of the other traders in the pits.[20] Traders constitute their marketplace by examining each other's risk-taking and acting on their assessments.

Under such watchful eyes, risk reaches beyond the calculation of the possible financial loss and gain. What is at stake besides the cash that a trader places in a market position? A trader submits himself to the vigilant attention of the hundreds of others who will witness his successes and defeats in the pits—what he risks and what he reaps. With money, he wagers his reputation and his self-definition in the eyes of others. His status is always on the line.

Traders scrutinize each other, but not all traders are considered worth watching. Pit traders watch the movements of successful traders closely: whether in order to emulate them or to evaluate them as competitors or potential allies. These kinds of watching are tied to evaluating the risks a trader is willing to take and are a direct indication of the trader's "size."

Technology defines the potential audience for risk-taking performances. The pit is an exchange technology intentionally designed as an arena where a trader can see and be seen by every other trader. Online markets reconfigure the audience for traders' performances because they transform the ability to watch. Online markets enable risk managers and company executives to watch any trader's transactions from the screens at their own desks. Only the managers have access to the full picture of risk-taking; they can see each trader's size and control it. In the trading room, managers walk the floor looking over the shoulders of the traders. But they do not always seek to limit a trader's risk-taking. They are monitoring the company's exposure to loss, but they must also balance potential losses with risk-taking strategies that make profits possible: they may witness a trader's hesitancy in a market—a sign of a failure of nerve. Under the eye of the risk manager, the trader tries to ride the line between taking on too much risk and not taking on enough.

In the pit, risk surveillance operates much more in the open, and it interacts with the ambitions of the traders and the social topology of the space. There are two major divisions within the pit. The first is between brokers who execute orders from outside the CBOT and locals, who buy and sell contracts for their own accounts. Brokers make transactions for financial houses or corporations in exchange for a commission on each trade, linking

the outside market to the internal world of the pits. In contrast, locals focus their energies on the pit itself. They speculate with their own money.

The second major division is between "big" and "small" traders. This is referred to as "size," a measure of how much risk a trader is willing to take on in any given moment. A "small trader" may trade from two to five contracts at a time. A big trader may trade in lots of five hundred. Traders identify themselves and each other by their trading size—"I'm a two-lot trader," "He's a fifty-lot trader." "He does size" is a description laced with respect and a degree of awe. The ability to take on greater and greater risks by increasing size defines success among traders. As the mark of risk-taking skill, size is the most important factor in organizing the social and physical space of the pit. The locker room overtones of the language of size are unavoidable.

The hierarchy of size translates itself to the ascending steps of the pit's octagonal structure. The social divisions within the pits define the pecking order and the structure of opportunity for profit. The newest traders stand at the center of the pit, the area that is least desirable and most obscured. They are literally and figuratively beneath the vision of the bigger traders and brokers, who control the largest flow of contracts. The bigger traders stand on the step above the newest and "smallest" traders. The truly "size" traders stand closest to the big brokers on the top step of the pit. The biggest traders are legendary figures who serve as models for all of those who stand beneath them. As a trader named Victor explained:

> Big traders are guys who are actively in there at all moments, and these people are *watched*. . . . You know, Tom Baldwin, Joe Niciforo, and all those guys. They know that they have developed their authoritative presence in the pit, and they know that when they just stick their hands in the air, everybody sees them. You watch them. We watch the players. We watch the risk-takers; we watch the big guys. We watch the shooters, as we call them. We don't sit there and watch the little Mark guy who stands next to me who's never really good or offered a market at any given time. . . . These developed risk-takers, the big guys, have the presence.

The little guys, the Marks of the pit, revere these captains of risk. They aspire to the top step. But the move from the center to the top step is not easy or obvious. In order to become "bigger" and move out of the center, a local must increase his size by trading more contracts and assuming greater and greater risk. This is not just a matter of deciding to trade more. A small trader must navigate the divisions that separate him from the financial action. Moving toward the top step where the biggest opportunities lie requires a strategy.

Traders use risk-taking as a strategy for gaining status and securing access to the physical positions and social standing that are crucial trading resources. They use the flexibility of the trading processes to their advantage. The rules of the pit dictate that the first trader who responds to a call has a right to the order, but brokers and traders exercise discretion over whom they see or hear "first." Such regulatory gray areas provide opportunities for traders to use their networks and judgment to assist friends and cultivate bonds with other traders.

Within the flexible procedures of the pit, locals and brokers cultivate relationships with each other. At times brokers rely on locals to take on trades, even when the local will *lose* money. This establishes a relationship of reciprocity with the implication that the broker will use his discretion to benefit the local in the future. Sean Curley Jr., a broker, describes how the ties between brokers and locals operate:

> There isn't any quid pro quo. But of course a local will be more willing to do things that would seem on the surface to be irrational [because they cost that local money] on the understanding or on the belief that later this human being he's trading with will remember. This happened to me the other day. I got an order to sell from a big local trader in the pit who I have a great relationship with. He [the local] bought it from me at the high[est price] of the day. I know that he didn't make any money on that trade. The next time I get an order to sell and there are a bunch of people who are bidding together, well, I'm going to remember that he bought it from me up there. So if I have to pick someone out of the litter, maybe I'll pick him. . . . There is a lot of discretion.

The local took a loss to the benefit of the broker and his client, and by doing so, he strengthened his relationship of reciprocity with the broker. By making it possible for the client to complete a trade, the local has added to the liquidity of the market, and the broker will reward him at some future time.

Brokers are able to execute trades for their clients with better results when locals are willing to take on financial risks. Ambitious locals wish to make a public demonstration of their risk-taking skill and actively seek out trades to integrate themselves into the society of risk-takers. Brokers reward those traders seen as risk-takers with increased business. The challenge for small locals is gaining the attention of the big traders.

To do so, small traders must convince the bigger traders that they deserve a place among them. Because status in the pits is directly linked to their position as risk-takers, traders who are not content with a small stature must take on greater size. Bigger risks might be out of proportion to the money that they keep as margin, but this is invisible to the traders who watch him. What they see is his size in relation to what he normally trades and to the size of the traders around him. What is seen is more important than what is hidden from the eyes of the pit.

So traders manipulate their risk-taking to curry favor with the traders above them. Because of the spatial constraints of the pit, moving up onto the steps means displacing a trader who is already there. Each trader stands in his own spot, and the social order of the pit strictly enforces the ownership of spaces. If a trader stands in another trader's spot, he will likely be humiliated, spit on, or literally shoved off the step. Yet despite the vehement defense of space, younger traders do manage to ascend in the hierarchy.

Small traders know that brokers reward ambition with business. As one broker told me, "There's Joe Schmoe, he trades five contracts at a time, but I know he's got that ego where he wants to trade fifty. And knowing he possesses that, I'm going to use him." When a younger trader is ready to ascend in the ranks, he begins to try to gain a spot on the next step up. Paul, a top-step trader, told me how he made his first move. Every day, he would step up to the next level, and the traders there would shove him off. But Paul, from the lowest level, used an informal alliance with a top-step broker to begin increasing his size. The traders above Paul became embarrassed when he literally began going over their heads to complete his big trades. Eventually he stepped up, and they let him stay. He increased his "size" by making successful trades with the help of the broker. In the eyes of the pit, he gained the respect necessary to move up to the next step.

Even when a trader gains a better spot, holding on to it requires maintaining the recognition of the other traders. The experience of one of the few women who have worked in the thirty-year bond pit illustrates how this works. Although she is now a highly esteemed trader, for her first two years in the bond pit Theresa had to fight to hold her position. She would come in every morning at 6:30, nearly a full hour before the pits opened for business, to sit in her spot. If she did not make an early appearance, another younger trader would displace her because she was perceived as a weak link, and her spot was a place where newer traders could establish their positions.

As a woman, Theresa's vulnerability was extreme. The mutual scrutiny of the pit is between men. Women are not worth watching, and there are few to lay eyes on. In 1998, when business was vibrant in the financial pits, there were only two women among the six hundred regulars who took to the steps of the thirty-year pit most mornings. The women who survived in the pit, like Theresa, could consider themselves as successful, respected traders. But there was not a single woman among the "top dogs" of the financial pits. At the time, more women traded on the agricultural floor. There, family

connections and the clubby networks of established CBOT traders allowed a number of women to operate. But the high-risk games associated with the financial trading floor were decisively masculine. Successful women traders spoke of themselves as being outside the risk-based status competition that raged around them, even when upstart male traders made incursions into their spots. One woman who worked in the agricultural markets described herself as living off the "scraps" of the trading pit. But these financial remains were good enough to support her and her two children and get her home in time for their return from school. As a woman, Theresa was simply outside the pit's rules of challenge and riposte. As a subordinate in the world of risk, she was simply invisible in the pit.[21]

Competitions over space are critical in the pit. Traders will defend their spaces against any new bodies, whether they are unknown neophytes or well-seasoned traders who migrate between pits to try the market in a new product. Financial traders pride themselves on cutthroat competition and deride grain traders for using connections. Even in the bond pit, however, the connections of friendship and family can be especially helpful when trying to gain access to a good place to stand. Dennis, a seasoned trader who usually deals in corn futures, told me about the day he decided to try his hand in the thirty-year bond pit, where contract size and volume offered great opportunities. He entered the pit and took a spot on the third step, the same place he stands in the corn pit. He didn't go unnoticed. The trader to his right got angry that Dennis was forcing him to turn his body sideways to stand on the step. A shoving match started. But during the exchange, Dennis realized that the man battling him for space was the son of an old friend from the North Side neighborhood where he grew up. The younger bond trader stopped fighting and made room for his father's friend.

While smaller traders fight to ascend in the ranks, bigger traders cultivate their own strategies to create and maintain their "neighborhood" of risk-takers.[22] One broker described how he gets rid of encroaching traders whom he doesn't think will help absorb the risk his clients bring to the pit: "I've had guys stand next to me and I've bumped them literally two or three hundred times a day with my elbow. . . . I can do it and not even blink an eyelash, like I'm not even doing it. And they just don't like that. They're gone. They're standing somewhere else."

Brokers promote risk-taking locals as active partners. Smaller traders try to attract the attention of brokers by displaying a desire to "make the market," which means being available to trade with the broker's clients. This creates the conditions for what one broker called "ego liquidity," trading made possible by the desire of a trader to show off his risk-taking prowess. Craig, a broker, acts out an engagement with an aggressive local: "[Speaking as the local] "I'm the market. You are not going through me." [Speaking as the broker] "I'll sell you a hundred at six." [Imitating the aggressiveness of a local]. "OK. I'm the man." [Commenting in his own voice] That guy was the man at six. And everyone in the pit saw him."

The local acted out his desire to make the market and to gain position in the pit by taking on risk. And even as the market went against him, he gained recognition by taking on the risk of the broker's clients. The aggressive local shows that he is "the man" by his willingness to engage with market forces when others are unwilling to do so. And even more critically, he puts it on display for all the other traders in the pit to see, establishing his risk-taking in the public arena. In stepping up to make the market, he shows his willingness to assume risk. His ability to gain the trades he needs will be supported by the broker, who now identifies him with the sort of "ego liquidity" that sustains his business.

New locals try to create opportunities to impress the brokers. They stay in the pit when others leave for lunch or golf, taking advantage of opportunities to be seen. "When everyone leaves, you're in there, and you step up, and the guys see you, and they know you are in there every day. 'He's been in here every day for years. Maybe we should throw him a trade.'"

Brokers challenge the locals to prove themselves. Victor, a young and ambitious broker in the financial room, describes a technique called "jamming" that brokers use to test the risk-taking fortitude of locals.

> I've got an order to sell 20 and I call out "20 at 6" and somebody will say "sold," and I sell that guy 20. Then this little five-lot trader starts yelling like, "Sold, sold, sold. I want that trade. That's mine." And then my clerk says, "Hey, sell 50," and I know this guy doesn't trade 50 contracts at a time, and he's aggressively bid 6 to me and I know he's a [small] trader. I say, "I'll sell you 50. Just stuff 50 contracts down on you guy." And the guy's usually sitting there and panting, staring into a couple of bright headlights, freaking out. . . . So a lot of times we just stick guys with quantities that they don't want, and you make them take it.

Victor wields his discretion as a broker to test the local, who collapses under the pressure of the risk. He cannot rise to the challenge of increasing his size. Instead of mastering the potential gain that fifty contracts carry, the fear of the potential loss incapacitates him. Victor depicts the trader's collapse as a bodily breakdown exposing his inability to handle the risk. He is unable to move and hot with anxiety. He has proven himself useless to the broker and an embarrassment to himself.

A trader's movement through the ranks of the pit allows us to see the in-

terplay between risk-taking and its social returns. The possibilities and perils of every trade link financial and social rewards. Traders play at the boundary between decisions and consequences that lies at the heart of the futures markets and determines the difference between social success and failure, wealth and bankruptcy. Risk-taking orders the social space of the pit. Traders use engagements with risk to maneuver for social and physical position on the steps of the trading arena. However, taking risks is not only a problem of social strategy and display. Learning to successfully handle financial risk requires managing the self under the conditions of imminent gain and loss.

Managing the Risk-Taking Self

Traders proudly identify with their role as risk-takers. They describe "absorbing risk" as their job, their place in the division of financial labor, a job description that indicates how locals see themselves as taking risk into their selves and bodies. This intimacy with risk links risk-taking and self-determination.[23]

Direct engagements with risk are at the center of traders' understandings of their own labor. During my first days at the CBOT, the locals in the pit where I worked insisted that I would never be able to understand trading without putting money on the line. The experience of placing a stake on the line was critical to their self-perceptions, and they did not believe I could understand it by just talking about it with them. They asserted that risk-taking was intensely personal, something that can be felt only in the immediacy of the moment and could not be properly translated.[24]

Since I lacked the $10,000 minimum stake I needed to enter the pit, Henry, a broker, offered to help me learn about working with risk. He suggested that we "paper trade." I would "buy and sell" contracts by marking each decision on a trading card. If I made a successful trade, Henry would give me a penny for every change in the price. If the market turned against my trade, I had to pay Henry in pennies.

Henry taught me that risk-taking requires total focus.[25] There is no room for distraction. I spent hours with my neck craned toward the price screen with a pen in one hand and a trading card in another. Quickly, other traders too—both those I knew personally and those I had only known by sight—began to train me. Mark tutored me in his system of limiting losses by placing orders about fifteen ticks below the market. Ethan told me about trade trends. Traders passing me on their way in and out of the pit took the opportunity to school me in the adages of trading, "Ride your gains and cut your losses." "The trend is your friend."

By insisting that my knowledge of their task would be inaccurate without

a personal experience of risk, the traders taught the anthropologist an important fieldwork lesson: abstracting the task can limit the analysis. A trader pulled a book of sociological essays about financial markets out of my pocket and told me that I might as well throw it away. The book was not going to help my trading. Observing from a reflective distance is antithetical to traders' norms of practice. As Henry directed my attention, my direct engagement, even at low stakes, helped me notice specifics about the market. Paper trading showed me the connection between risk-taking and the techniques of discipline that traders described to me.

Trading is a profession that thrives on action undertaken for what is felt to be its own sake.[26] The intensity of focus, the thrill of testing my wits against the market, the utter absorption in the moment-by-moment action, the absolute nature of being right or wrong, of making or losing money on every trade helped me to understand the importance that traders place on engagement with risk for its own sake, not just for profit and loss. One trader told me that with discipline, "you can experience the market and become a part of this living thing, intimately connected to it." The economic incentive is not enough to explain the attractions of trading. The significance that traders draw from their risky work involves financial pleasure.[27]

For speculators, fate lies in the time gap between the present and the future. The risk-taking trader assesses the market, places a stake, and faces the time that must elapse between each decision and its consequence. The market moves and determines his gain or loss, and the result is disclosed. In Erving Goffman's description of the moments between placing the stake and reaping the consequences, the trader "releases himself to the passing moment, wagering his future estate on what transpires precariously in the seconds to come."[28] His skill lies in determining when to place his stake and how large it should be, and then in facing the consequences of his action undaunted.

The consequences of taking risks evoke excitement and complete absorption into the action. This state of being in the present is similar to the experience of mob violence and shares the condition of immediate consequences. Bill Buford describes the pleasure of participating in a riot with British soccer hooligans. "I am attracted to the moment when consciousness ceases: the moments of survival, of animal intensity, of violence, when there is no multiplicity, no potential for different levels of thought: there is only one—the present in the absolute."[29]

The volatile atmosphere of the trading floor also links risk-taking with fighting. Trading often erupts into contests of shoving and swearing, joining together literal and symbolic violence. The CBOT hired two paramedics to staff the trading floor against the possibility of everyday violence erupting into

something fiercer. During my time on the trading floor, shouting matches and shoving were so common I often did not even write them down. Sometimes these altercations left physical marks. One trader showed me a graphite-stained scar on his hand where a colleague had stabbed him with a pencil. Yet, as Buford observes, outward aggression can be pleasurably coupled with an inner sense of complete presence.

It is this state and the daily engagements with fatefulness that set trading apart from other economic activities and other areas of the financial industry. While engagements with action are defined as outside daily life for most workers who labor in bureaucratic, routinized settings, traders seek them out. This makes them similar to fighter pilots, professional athletes, and others who thrive on the sense of self-determination that comes from being in the action or at risk and whose work involves reactive, disciplined labor, status competitions, injury, and even sometimes death.

A trader's increasing wealth is an outward sign of his ability to perform the alchemy of the risk-taker. Each trade is a chance to prove that he has mastery over himself. He draws on this mastery to read the market, interpret its signals, deftly navigate its peaks and troughs, and skim profit from the global capital markets that circulate through his hands. He is able to determine his own fate while subjecting himself to the whims of the market. The values of self-determination and free will are central to traders' daily engagements with risk in the futures markets. This forges another link between the financial and social stakes of the pit. With every successful trade, the trader accrues an aura of self-determination and success.

Losing money is more complicated and ambiguous. Taking a risk that results in a loss is not necessarily the reverse of gain. Traders take losses every day. Taking losses is a mark of the risk-taker. But over time a trader who is no longer able to make successful trades at the same time that he takes his necessary losses loses his sense of efficacy and his social standing.

With every trade, a local stakes his money and his ability to define himself. Futures trading is a constant test on both levels. One good trade never guarantees the next. Though traders are surrounded by a social order that buttresses those who can prove their risk-taking acumen, other traders are swift to reject those who lose their skill. Even the most successful traders in the bond pit must continually prove their "big dog" status with each trade.

The pit is the place where a trader with ingenuity, appropriate connections, and discipline can climb onto the top step and into the upper echelons of the income bracket. But the promise of the pit hides the pain and desperation that can come from living with constant uncertainty. The pit collectively pays out social rewards; but traders experience the pain of loss as coming from the market itself and as lone individuals.

The physicality of the pit creates a direct connection between the market and the trader's body that plays itself out in stories of self-destructive behavior and sometimes in suicide. Some of these stories are, no doubt, accounts of actual incidents, but they all have the quality of moral tales about the dangers of wealth and hubris. They are tales of the fall, stories of men who had perfected the art of living within the uncertain gap between present and future but could not sustain their mastery and lost all their money as a result. These tales portray the price of linking risk-taking, personal worth, and self-determination. This urban mythology of the pit's dark side expresses the collective fears of the trading floor and the ever-present possibility of failure.

The pit-based tests of speed, skill, and status pump adrenaline into traders' bodies. The adrenaline buzz links the social and financial risks of the pit with physical pleasure and pain. Traders must work to shed the physical feelings of risk-taking and the aggressive affect of trading when they leave the pit. As early as ten o'clock in the morning, traders perch on stools in the lobby bar of the CBOT. They rid themselves of the residue of competition by numbing themselves with alcohol and drugs, releasing energy in the gym, or even through meditation. As Jack commented: "After work I go to the gym and other people will go get wrecked, go get drunk. . . . You have to realize that it is a very physically demanding job and you just have to do something. It's like go out to drink or go home and smoke a lot of dope or go work out, whatever it is."

The physical intensity of risk-taking links body, status, and games of risk. It is not surprising, then, that traders express their fears of loss and humiliation in terms of bodily and social destruction. A trader named Leo told the following story:

> I know guys that killed themselves in this business, put a gun in their mouth. Terrible things. . . . I mean I've seen drugs ruin guys. I saw something happen, it was probably one of the saddest stories of my trading career. I met a young man there, very nice guy. He and I started off at almost the same time. . . . In the three years that I was there and he was there, he probably made three times as much money as I did, or five times. I didn't know him socially, but I heard he got caught up in drugs, and then I heard he got divorced. Then I heard he got remarried and divorced again. . . . He was high on the Board of Trade, and through some other people I sort of heard little bits and pieces, which was basically he was just sinking. And I come to work one morning, and I get to work about a quarter to six in the morning, and I was walking down LaSalle Street, and I looked down in the curb, and there was this guy sleeping. He was homeless, whatever. It just broke me up, broke me

> up. And the story doesn't have a happy ending that I know of. I remember I was in his house, and he had a party, and I'll never forget it, it was such a big party. He had two bands. I never was at a party that had two bands. When the first band broke, the other one came on. I mean, it was terrible. But those kinds of things happen.

Joe told a similar story:

> [There are] sad stories, suicide-type things. Tim Creighton, somebody who killed himself two years ago. An old timer in his early fifties, because of money. Tim put a gun to his head and killed himself. He had two kids, fifty years old, always a very successful trader. But he went off the floor, traded, for seven years he traded off the floor and lost all his money. He was in debt to a lot of people and killed himself. Another killed himself in the garage. He always used to give people cars. He had a connection to a car dealer. Carbon monoxide. [A third] overdosed on Quaaludes.

These traders could no longer turn risk into profit. Each story describes the collapse of self-management and the loss of the successful speculator's professional identity. These deaths expose the underbelly of the Dionysian qualities of capitalism that attract traders to the action of the pit.[30]

Why would traders subject themselves to these pressures? The action in the pit is a constant test of self-discipline and fortitude. The constant gamble of self demonstrates a trader's particular virtue. Like champion boxers, traders return to the ring even when they can afford to retire.[31] According to Victor, "You have to understand. The U.S. T-bond pit . . . it's just amazing. There's guys there who make so much money and there's guys approaching their fifties now and probably can retire twenty, thirty, forty times over, and they still come in to work every single day." Simple economic logic cannot explain the commitment of traders to their task.

The rewards are more than monetary. Gain is a scorecard. The rewards of trading lie at the nexus of risk and self-definition. The pits—which on the surface seem to be only spaces of crass materialism and economic reductionism—are places where men take pleasure, court danger, and craft risk-taking selves as they create a market. It is significant that traders play the game, not that they play to win. The possibility of defining and redefining the self every day in the eyes of the pit lures the wealthy speculator back day after day. It is not enough for these traders to be at the pinnacle of their professions. They regenerate their character in the eyes of others with each new trade; each new risk is a chance to reassert their discipline in the face of fate, their skill for riding the waves of the market. It is a chance to prove again that

they can earn their spot in the pit with every dollar that they pocket.[32] In the matrix of firm decision and swift consequence, a trader rises and falls on his own merits. Anyone can play, but only a few can make their living on the high wire.

Analysts have characterized high-risk activities as ways of escaping the routinized contemporary world. Skydivers and mountain climbers report their attempts to escape social constraint to draw closer to their "true" selves.[33] Traders participate in this Romantic understanding. They take on risks that are generated in modern institutions through the exercise of rationalized control.

The explanation that voluntary risk-taking is a simple rebellion against the limits of modernity is insufficient. Markets create high-stakes situations that have the power to create or destroy a definition of the self. The strength of social and individual rewards and punishments reflect this force. Traders take appropriate economic action by examining the risk-taking self, both in the eyes of other traders and with an internal monitoring gaze. Their responsibility as risk-takers requires active engagement with risk, not simply caution in the face of danger.

Risk-taking is not only a calculated decision but arises in the context of the pit and through techniques of self-formation. The norms of risk-taking in the pits shape the habitus of the traders who work there, creating an embodied reason that is deeply informed by the rules of the interlinked economic and social games of the trading floor. These techniques emerge in traders' engagement with the imminent future. Actors push the possibilities of annihilation of the self through economic risk-taking. This wagering of the self shows how active engagements with risk do more than challenge the daily experience of routinization and the bureaucracy of modern life. These are high-stakes situations where people are made and unmade.

When we define risk as synonymous with danger, the orientation toward hazard occludes theoretical attention to the productive dimensions of risk. Risk shapes the social and physical space of the financial exchange and forms the fulcrum of traders' self-definition. Traders generate strategies of risk-taking that shape the social geographies of the pit and support the circulation of financial goods. We need not see such engagements as critiques of the modern. Active engagements with risk are a locus for the production of contemporary economic selves and social space.