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Financial value
Economic, moral, political, global

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Based on participant observation, this paper analyzes the professional everyday of employees of the financial industry. For them, giving financial value to a social activity means determining technically the monetary revenue that can be obtained from it. But it also means including it in a hierarchy of access to credit, according to liberal moral and political considerations found in financial regulation and financial theory, aiming to create efficient markets where individual investors would meet, leading to an optimal allocation of global monetary resources. Thus, this case shows that everyday practice in the financial industry challenges the opposition, found in Weber and in neo-liberalism, between an economic value (in the singular) and moral and political values (in the plural). Following Mauss and current trends in the anthropology of money, the paper concludes that the concept of value should not be an analytic tool, but is part of the object we study, as one of the ways in which the people observed make sense of their own practice.

Keywords: finance, money, global, political, valuation

The purpose of finance is to create value.
—Pierre Vernimmen, et al., *Corporate finance: Theory and practice*

It is the characteristic *right of the masters*: to create values.
—Friedrich Nietzsche, *Beyond good and evil*

Today, bonds and stocks have become the major source of funding for companies in many rich countries, and sovereign bonds are an inextricable part of government budgets. This is partly the result of regulatory changes that started in the United States in the 1970s (Krippner 2011) and were adopted in Europe in the 1980s (Abdelal 2007) and in the rest of the world in the 1990s, including Japan (Amyx 2004), India (Reddy 2009), China (Hertz 1998), and Brazil (Müller 2006; Lee 1998). Although financial regulation is fragmented in national spaces, these changes all draw explicitly from the same mainstream economic and financial theory and are meant as an attempt to create markets where investors could operate freely, resulting in an optimal allocation of credit. In most jurisdictions,

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nevertheless, major transactions are usually legally restricted to what are often called "qualified" or "sophisticated" investors. These agents are defined mainly by their knowledge of financial theory and by having the means to apply it, a feature that generally characterizes the institutional investors that compose the financial industry, such as pension and mutual funds, brokerage houses, and rating agencies. In countries with common law legal systems, asset management companies usually operate under the trustee relationship, which means that the clients who entrust them with their money are not allowed to decide how it is invested, officially due to a lack of the required expertise (Clark 2000; Montagne 2006). Thus, the financial industry is at the center of a major distribution of resources that spans the whole world (Ortiz 2013).

In this organization, the concept of value plays a crucial role. According to financial theory used in regulation and in the procedures and calculations of employees of the financial industry, in efficient markets, prices are the best representation of the value of exchanged goods, such as stocks and bonds. In liberal parlance, prices can then work as signals for the allocation of credit, resulting in a creation of value both for the individual investor and for society at large. When employees do calculations and apply procedures to evaluate assets and invest in them, they are thus supposed to be partaking in a political project of social distribution that extends to the whole world. As fieldwork observation shows, in this process, the concept of value spans the registers of that which is technical, economic, moral, and political. This poses a challenge to the use of the concept of value as an analytic tool for the study of financial practices.

As it is explained in the introduction to this issue, the concept of value (in the singular) is often applied to the single hierarchy of monetary evaluations in what would be a more or less autonomous economic sphere. It is thereby distinguished from "values" (in the plural), which would belong to the spheres of ethical, moral, religious, or political practice. I wish to go beyond this dichotomy and the analytical content that it is supposed to have by analyzing the practices of value in the financial industry. To do so, I will concentrate on the way in which Max Weber and Michel Foucault have understood economic and bureaucratic practice, where the meaning of routine operations seems detached from the free will of those who carry them out, and contrast it with the insight of Marcel Mauss and current developments in the anthropology of money and finance.

For Max Weber, his sociology can only interpret actions that have meaning because they can be attached to some value. Weber's individualistic methodology places values in an explicit neo-Kantian framework, where they occupy a place similar to that occupied by "Ideas" in Kant's moral philosophy.[1] Weber considers Protestantism and its result, capitalism, as a process whereby values first negate the world and eventually negate themselves. The Protestant ethic starts by giving a unique meaning to economic activity: salvation. Progressively, as this meaning is lost, it is sheer competition for survival, without meaning, that constitutes the "iron cage" of modern man (Weber [1904–05] 2003). Thus, according to Weber, Protestantism's search for material wealth in the phenomenal world results in a negation of transcendental ethical and religious values. This way of distinguishing

1. The equivalence between "values" and Kantian "Ideas" is elaborated by Rickert, to whom Weber makes constant reference (Weber [1903–06] 1975: 104).

and putting into opposition monetary or economic value and ethical or other values (in the plural) is not unique to Weber. In particular, as Michel Foucault (2004) has shown, the neo-liberal project shares and supports this dichotomy, when it considers that the moral value of market efficiency, which it takes as a Kantian ideal, cannot be totally realized, but can be approached by institutional arrangements where the search for economic value would be a politically and morally neutral, technical endeavor.

Going beyond this dichotomy, criticized as the "hostile worlds" view by Viviana Zelizer (2005), anthropologists and sociologists have shown that the meaning of money, far from being exhausted in the maximization of individually defined utility through the price mechanism, is fundamentally linked to the social identities and hierarchies in which we live. For Marcel Mauss ([1923–24] 1995), the concepts of persona, freedom, and justice can only be understood within the specific monetary arrangements that give each person his or her social identities. Thus, monetary valuation is never just technical, but it is also moral, religious, and political, signaling the position of each individual in society according to specific imaginaries. Giving a price to something—including it in a scale of measure—means inscribing it in emotional, moral, and political relations (Guyer 2004; Fourcade 2011). A gift to a child, a divorce settlement, the purchase of life insurance—these are part of what defines our friendship and family ties and our relationship to life and death (Zelizer 1979, 2005). Monetary policy as we know it today is organized along the dialectic between states and markets, which defines our citizenship both as belonging to a group that transcends us and as being individuals who have the radical freedom to depart from it (Hart, 1986). The bureaucratic setting of the financial industry, where actions are mainly carried out in the form of repetitive standardized procedures, seems like a place where the technical aspect of monetary valuation would be the most extreme. Yet, anthropologists have shown how hard it is to channel and neutralize the emotions of traders in their daily operations (Zaloom 2006). The concepts defining the procedures themselves contain moral and political implications concerning temporality and ownership (Riles 2011) or a definition of the world as a unified landscape (Knorr Cetina 2005). These implications can be found in the mathematical models used by professionals. Thus, Bill Maurer (2002) has shown that the technical concept of infinity used in the probabilistic calculation of the monetary value of financial derivatives actually has fundamental theological presuppositions.

In this paper, I would like to approach the concept of value with these insights. Instead of considering, as does classic economics, that value exists, I will consider it as a way in which people make sense of their relations in a specific setting. The meanings that value has in professional financial practice are fundamental to the political role played by the financial industry in the allocation of social resources. These meanings are assumed in liberal theories used by financial regulation, where giving financial value to a social activity is part of a political project. The research described in this work is the result of participant observation conducted as an intern in a team of fund managers buying credit derivatives in Paris in 2004.[2] I will

2. This research comprised three internships (two of four months, one of five months) with stockbrokers in New York and fund managers and hedge fund consultants in Paris, between 2002 and 2004, and around one hundred interviews with professionals.

first describe how, in professional practice, financial value can be understood as an economic concept with a purely technical definition. I will then show how it also entails moral and political concerns that are fundamental to its meaning in everyday procedures. In conclusion, I will discuss the fact that, in this specific field, we should consider the concept of value as part of the object under examination, rather than use it as an analytical tool.

Financial value as the procedural enactment of investors and efficient markets

Within the same conceptual frame as that used by liberal philosophies and financial theory and regulation, the definition of the procedures of valuation and investment in the financial industry implies that employees behave as though they are individual investors operating in more or less efficient markets. These concepts are fundamental to calculations and operations, where they take a technical, often mathematical, meaning. In this context, the employees can relate to financial valuation with a moral distance that is akin to that which Weber and contemporary orthodox economics consider proper to economic action. Defining the (financial) value of a human activity would then be separated from any moral or political value(s).

For four months in 2004, I was an assistant analyst in a team investing in asset-backed securities (ABSs), notably US mortgage-backed securities (MBSs), repackaged as collateralized debt obligations (CDOs). Composed of four fund managers and three assistants, the ABS team was employed by Acme,[3] a major French financial multinational. The team invested €5 billion of the €300 billion managed by Acme, whose major clients were French insurance companies. Each fund manager invested money from a specific client or set of clients, whose interests she represented. The return provided by the ABSs also paid a commission to Acme, from which the fund manager received her salary and yearly bonus. As in the manual quoted at the beginning of this text, obtaining a return for their clients, as well as for their employer and themselves, was defined by the actors, and in the profession at large, as a process of value creation.

Defining value was considered to be partly the result of an individual gaze enacted by the fund manager. At Acme, I worked most closely with Juliette, the second-most senior fund manager in the team. Juliette's main activity at the time was to buy $1.5 billion worth of US-issued ABSs for a set of clients. In the ABS team, in accordance with the expertise of its two senior and leading managers, the investment strategy was based on a thorough analysis of each ABS, in order to gauge what the profit would be for its buyer, as it stems from the cash flow produced by the asset itself. This is called in manuals and in the financial industry in general a "fundamental" analysis of the securities. Before arriving at Acme in 2002, Juliette had worked for five years in a rating agency as an analyst of ABSs

It was furthered by obtaining the professional international qualification of Certified International Investment Analyst (2010) and by teaching courses in finance in business schools in Paris and Shanghai (2008 to the present).

3. In agreement with the people observed, and in order to preserve their anonymity, I have changed all names.

and for two years in a bank issuing the securities. She knew and trusted not only the work of the rating agencies but also, as she explained to me in an interview (June 4, 2004; Paris, France), that their type of analysis was the same as the one she carried out as a fund manager.

For each security, Juliette would thus analyze the hundred-page contract defining its characteristics, a task that would take between two and three days of work. My main task was to assist the fund managers in the search for information about the ABSs they bought, and to write analysis documents that were sent to current and potential clients as well as to other employees, among which were some people higher in the company's hierarchy. In particular, I had to write five-page analyses of some of the assets that Juliette bought, as these documents were part of the reporting requirements stipulated in the contract with the clients whose money she was managing. I would take up the contract Juliette had analyzed, in order synthesize the characteristics of the asset that she had bought. I would follow her notes on the contract, highlighting among other elements the FICO[4] scores of the borrowers, the geographic distribution of the loans in the United States, or the types of loans and the types of homes bought with them. I would also gather information about the issuer of the loans and the company in charge of ensuring that debtors paid the interests—information usually also provided by the rating agencies.

Another assistant, Thibaud, was in charge of establishing a systematic follow-up of the assets that the team bought. Yet, he considered the personal dimension of valuation to be crucial: "In the analysis, there is after all a part of added value, a little bit intellectual in brackets, if you wish, not just simply automatic, otherwise we would not hire analysts—we would just use software" (June 2, 2004; Paris, France). Juliette would gauge probabilities by her own experience. Taking up her analysis to write one of my documents, I realized that the distribution of FICO scores among the borrowers showed an unusual concentration of low scores. I remarked that it did not look good in the report I had to write, which was mainly intended for the clients whose money had been invested in the asset. She explained to me that I had to specify that this element was counterbalanced by the good geographical distribution of the loans and by the fact that the tranche[5] we bought, being highly rated, was still barely exposed, in that the defaults concerned only the borrowers with low FICO scores.

Each asset that Juliette bought was included in a bundle that usually comprised more than a hundred different ABSs. This strategy, called "buy and hold," is officially based on the idea, formalized in financial theory, that, because markets are efficient, all the information concerning the objects being exchanged is already reflected in their price. This means that prices express a truth about the objects' value. Within this conceptualization, stock indexes were considered proxies of the market and, thus, of the economy at large. The representative character of prices

4. This score, produced by a private company, is overwhelmingly used in the US banking system to gauge the probability of individual clients defaulting (Poon 2009).

5. ABSs are structured in "tranches" that are rated by rating agencies according to each tranche's exposure to the defaults of the underlying assets, such as bank loans for ABSs.

implied by liberal philosophy was reinforced at the end of the nineteenth century by the use of probabilities in positivistic terms. Future prices are considered unfathomable, as they depend on information that has not yet occurred. Translated into the conceptual apparatus of probabilities, this is expressed as the fact that they would be random. Considered thereby to evolve along laws similar to those defining nature, future prices started to be analyzed as having averages, standard deviations, and other statistical qualities (De Goede 2005; Muniesa 2007; Preda 2009). Thus, in a market considered efficient, where future prices cannot be guessed, the best strategy is to invest in the whole market. By statistical construction, in the bundle, the standard deviation of returns, called "volatility"—or even "risk"—is lower than that of each of its components. This use of statistics in financial theory as a way to prove the beneficial effects of diversification in the context of market efficiency gave some researchers the Nobel Prize in Economics, reinforcing the expansion of financial theory in the financial industry (MacKenzie 2006).

The assumption of market efficiency in Juliette's procedures entails a certain contradiction that characterizes mainstream investment management methods (LiPuma and Lee 2004). On the one hand, fundamental analysis is necessary for the market to be efficient, as it is the process by which the investors integrate information into the price. Yet, once markets are efficient, individual valuation is useless because it cannot be more accurate than market price. Thus, although she was enacting the gaze of an individual investor, Juliette's procedures also assumed that markets were efficient, and she diversified the investment, trying to invest in the whole market. The value of each asset was thereby considered to be both a definition of the individual gaze of the investor and the result of market efficiency.

In the buy and hold strategy, the asset is considered to have not just a fundamental value but also a relative value, defined in relation to the other assets. Juliette compared each asset she analyzed to the other ABSs available and to her own experience. The decision to buy an asset meant allocating capital to the activity that the asset funded. It also meant discarding other assets and thereby enacting a hierarchy of access to credit within the asset category that Juliette was operating within. The assets that Juliette bought were themselves repackaged as a new security, a collateralized debt obligation (CDO), which was structured in tranches rated by the rating agencies. By buying an ABS and repackaging it as a CDO, each fund manager established a complex set of credit relations between several parties across multiple jurisdictions. The money invested in the CDO came from BBB, a big British bank; AIG, then the biggest insurance company in the world,[6] which insured the transaction in case of default; and French insurance companies, which obtained higher returns than the other two companies did because they invested in the tranches of the CDO (i.e., those that would be first hit in the case of defaults in the loans backing the ABSs that composed the obligation).

The money coming from depositors and lenders to BBB, and from people engaging in insurance contracts in France and in the United States, was thus the source of credit for US home buyers, for whom loans were available because US banks knew they could repackage them as ABSs, thereby taking them out of their balance sheet and liberating reserves and capital to issue new ones. At the same

6. Changing AIG's name would have been misleading, but this does not render the ABS team more traceable, as AIG was present in most deals at the time.

time, the interest that the new home buyers paid was used to pay for events such as death and old age in France, as well as for the revenues of employees and shareholders of the companies involved in the process, such as Juliette and Acme.

When Juliette makes the decision to buy an ABS that she previously analyzed thoroughly for a few days, she is not, as the liberal theory would define it, an investor investing her own capital. The money she invests belongs to other people or companies whose interests she represents and who are not aware, as she is, of the value of the asset she is buying. Their existence as investors who would evaluate and exchange is only realized in their representation by Juliette, as she follows the procedures of valuation and investment of her work and commercial contracts. At the same time, Juliette is only an investor as she applies these procedures on behalf of the clients defined in the contracts that bind her.

The circuit of exchanges in which Juliette operates is also far from the concept of efficient markets that she uses in her procedures. We do not find free subjects entering and exiting exchanges after doing their personal valuations. The contracts linking the banks that issue the loans in the United States (BBB, AIG, the French insurance companies, and Acme) can only be signed, according to legal restrictions and professional regulations, by employees with proper qualifications, within the network of officially licensed companies forming the financial industry. The people obtaining the loans in the United States and the insurance contracts in France, considered to be the final investors, not only are most probably unaware of the fact that they finance each other, but also are procedurally prevented from interfering in the process. In Juliette's everyday practice, she only dealt with other professionals who, like her, were the only ones socially entitled to deal with credit derivatives. For her, the market that she considered efficient in her procedures was, very concretely, composed of the network of professionals working with her in the financial industry.

For Michel Foucault (1976: 125), power relations result from the interplay of "intentionalities," which give meaning to procedures, and constitute the "gaze" that gives calculation its aim. He insists that we should not try to find a subject or a will behind this gaze: the intentionality is a constitutive part of the meaning of the procedure, but it is not a cause that would be external to it. This concept seems to capture the gaze of the investor, disseminated in the procedures and calculations performed by employees such as Juliette. In the neo-Kantian analysis that considers practice as something that only makes sense for an individual will in relation to values, such as that of Max Weber, this dissemination of valuation without a subject could be understood as part of the process of disenchantment of the world. Taking the example of financial relations, Weber ([1922] 1978: 709) says that a person follows the procedures because he needs to survive, but, just as with capitalist competition, they lose any meaning for him:

> In [hierocratic domination], interests that are personal and flexible are at play within broad limits, and purely personal action and will can change in a decisive way the relation and the situation of the participants. On the other hand, the director of a company with shareholders will find it very hard to establish that kind of relation with the workers in the factory, because it is his duty to defend the interest of the shareholders as his true "masters"; and this will be almost impossible for the director of the bank that finances the company, in his relation to the factory workers, or for

> the owner of a mortgage credit in his relation to the owner of the good that serves as collateral for the credit given by the bank.

In the same paragraph, Weber considers that this impersonal character of financial relations is due to the economic process itself, and results in a separation between economic and ethical behavior:

> Behavior is here determined in a decisive manner by "competition," by the market (labor market, money market, and goods markets), by "objective" considerations that being neither ethical nor anti-ethical, but simply non-ethical, seem absurd to any ethics, i.e. by factors that all introduce impersonal instances between the people concerned. From an ethical point of view, this "slavery without master," in which capitalism enmeshes the worker or the debtor of a mortgage, can only be discussed as an institution. But, by principle, this discussion cannot concern the personal behavior of the participant, whether he is dominant or dominated. Under the threat of disappearing because he would be, from any point of view, economically useless, this behavior is prescribed to him essentially in objective relations and—this is the decisive point—it is characterized as a "service" with an impersonal *objective aim*. (translation modified, italics in the original)

Fernand was the head of Acme's allocation department, where the main decisions were made concerning how the €300 billion under management were to be allocated to different assets around the world. This amount, close for instance to the annual budget of the French state, was distributed among departments and teams, following the procedures of maximum diversification based on probabilistic calculation such as those Juliette used in her CDO. In this case, the whole world was considered a single efficient market. Fernand's words in an interview with me (May 18, 2004; Paris, France) echo Weber's distinction between economic procedures of valuation and personal ethical values:

> I do not have the right to say what I want in the name of Acme, but speaking personally, I have no problem saying it: I think indeed that because of its size, due to its weight, due to what it has been able to accomplish, the financial industry has indeed, in certain cases, become too important, in relation to those who, at the end of the day, produce goods and wealth—that is, I would say, the other companies. I'm not saying that financial companies do not produce wealth: they do! But they only produce wealth in a derived way—that is, there must be a basis of something that we can exchange, that we can trade, that we can merge, that we can make live. Finance is necessarily dependent on something else. It is an activity that implies that there is something else. One cannot imagine that there is only finance. So coming from the financial industry, there is a sort of pressure that has been exerted because of competition, I would say, between financial companies, and by the requirements that they have expressed in terms of profitability, for the different shareholders that we have called in, or for the different lenders of money or providers of money.

To express what he called his "personal" point of view, Fernand had to distinguish himself from the professional position of responsibility that he occupied for many hours every working day. In this separation, he allowed himself to express a moral criticism of the financial industry's capacity to impose rules on the rest of society,

claiming it was “too important” due to competition within the industry itself. The tension described by Weber, between judging the institution from an ethical point of view and the personal impossibility of applying that point of view to the everyday activity of the bank, structured Fernand’s presentation of himself as an ethically constricted subject. Following Weber, we would not see him far from the moment where meaning would disappear entirely.

At Acme and elsewhere, employees worked for a salary on behalf of their clients within a network closed off to non-professionals, a situation that is quite distant from the theoretical definitions of the investor and the market efficiency that they are supposed to enact. They therefore could have tended to increase the tension that Fernand expressed between the technical, non-ethical definition of financial value and the moral and political valuation of the institutions of which each person was a dispensable component. This would have confirmed the realization of the neo-liberal project as Foucault described it. Yet, as I will try to show, this is only part of the meaning of these procedures. Before the neo-liberal turn of the second half of the twentieth century, in the liberal philosophy of Adam Smith, giving monetary value to something in an exchange is part of a fundamental human activity, whereby the human being appreciates the value of her own existence and society recognizes her by giving her a price. This moral and political content of giving financial value is actually present in the procedures of the employees of the financial industry, and it exists as a fundamental tool for the justification of their practices.

Financial value: Moral, political, global

In financial practice, the notion of value can imply different points of view concerning the role that investors must play in relation to market efficiency, and therefore in relation to the social allocation of resources. Although they are part of the procedures and are considered with the moral neutrality of everyday technical operations, these different positions carry moral and political referents that are an important part of the meaning of the operations themselves. In these cases, economic value is not distinguished from values, but is the way that the financial industry would have to inscribe human activities in a moral and political global project (i.e., to fulfill the aims that financial regulation gives it within the liberal framework).

In 2004, at the time of my observations, the ABS team had to change its investment strategy. The increase in interest rates and the higher demand for the most secure tranches of ABSs implied higher prices and lower yields. This meant that the returns from investing in ABSs were not enough to secure revenue for Acme’s clients and at the same time pay the team’s salaries and bonuses. The only solution, according to all the members of the team, was to invest in riskier tranches of ABSs, which offered higher yields. These tranches had to be monitored constantly in order to sell them before they would default. The strategy would therefore not be buy and hold, but buy, sell, and buy again. Because the prices of these tranches varied more quickly, the monitoring could also be used to profit from them by trying to buy low and sell high. Therefore, instead of concentrating on fundamental value and assuming that markets were efficient, the investor had to focus on speculative value in the short term (i.e., not on the intrinsic characteristics of the asset, but on the opinions of the other participants about it). Speculation,

within the rationale of market efficiency, meant assuming that markets were not performing their political role.

All the employees thought this change was inevitable, but they expressed different points of view about the moral content of fundamental and speculative valuation. The head of the team, Marie, had been trained for more than ten years in the fundamental valuation of ABSs; in an interview with me (June 9, 2004; Paris, France), she expressed a negative moral view on short-term speculative trading:

> There are other ways to create value, closer to what is very opposed to my way of thinking, but . . . I am starting to recognize that there is value in trading, in buying and selling, in playing with big disconnections, even if you don't care about fundamentals. . . . We must not cut ourselves off from it. But I remain nevertheless very attached to our beliefs concerning credit.[7] . . . When you manage money for insurance companies, you can't go and do *Spiel*![8] But then again, I am changing as far as my sources of value are concerned. I think that those guys bring value. Even if I think that it is artificial, it is value. . . . So I have to be able to integrate that way of working in my team.

In an interview with me (June 4, 2004; Paris, France), Juliette took a stance that seemed quite similar to Marie's, but that differed in a way that would be important for the evolution of the two employees:

> I think that as long as you have a fundamentalist view, which in this market is, for me, the credit approach, nothing prevents you from doing trading. Trading is just technical; it's just, at a certain moment, taking the right position, but . . . I think that the most important thing is that you remain in a frame in which you feel comfortable as far as credit is concerned.

Juliette accepted the change as long as she could stress that her expertise was based on something that was not just technical (i.e., on her view about market efficiency, which was based on fundamental value).

Eventually, Marie left the team, taking a job as a senior analyst for a rating agency, where she would only do fundamental valuation. Juliette replaced her and led the team to trade and invest partly in riskier ABS tranches. The team hired four analysts to prove to its clients that it was nevertheless not departing from its initial approach. Thus, all these different changes were each justified as ways to support market efficiency and at the same time secure revenue for Acme, its clients, and its employees. Giving financial value was not just a professional ethical injunction to apply morally neutral techniques in the interest of particular clients; rather, the details of the methods of valuation (i.e., the concrete ways to say that something had financial value) made sense in relation to the political project of market efficiency and the moralities of upholding it in everyday practice.

The May 18, 2004, interview with Fernand (quoted above) took place a few years after the collapse of the Internet bubble, and his criticism of the financial industry must be understood in this context. Yet, in that same interview, he actually

7. Credit is part of the fundamentals, as it is the main activity underlying the asset.

8. "Game" or "play" in German (i.e., something akin to gambling in this context).

still attempted to justify the activities of the financial industry as part of a global political project:

> It seems to me that we have fantastically broadened our management universe. I mean that in this company there are people who are interested in buying bonds issued by a Thai brewery or by an Argentinean bank. . . . The market has imposed the discipline of returns . . . so, if you want, the flows of money have been bent; they were poured over activities promising fifteen, twenty, twenty-five percent returns. . . . So we can see all this strength of the system—that is, its capacity to define a hierarchy between returns and therefore to impose a true discipline—a true rigor. . . . We have been able to create hierarchies, but at the same time we have been able to make collective mistakes in a proportion, I would say, in hindsight, that seems incredible for the blindness, the stupidity, the bandwagoning, what you wish. The financial industry, because of its globalization and because it set itself in competition with itself, has exaggerated. And I think that it is a fundamental feature of this activity. I think that in its tendencies it does not make mistakes, but on the other hand, it always exaggerates. . . . So it is true that financial markets have had the role of . . . I would say, in a certain way, they have increased the rigor of profitability in the markets, they have increased the level of requirements, they have imposed better movements of transparency, they have provoked a better efficiency of capital, as it is said, but indeed there have been situations of excess.

Fernand's discourse is not striking for its originality, but on the contrary, for the ease with which he expects to find a justification for his own activities in a narrative that is shared with most financial regulators, the financial press, and other actors of the financial industry. In this narrative, defining financial value from the point of view of an investor that assumes the world to be an efficient market is not just to defend the interests of clients. This representation of individual interests is also understood as the realization of a moral and political project that should result in the common good on a global scale, to be carried out solely by the financial industry and not, for instance, by states, which Fernand does not mention. The hierarchy in the funding of human activity, which is imposed by a financial industry that "does not make mistakes," is here justified by the accuracy of its definition of value. It is the same set of concepts that allow Marie and Juliette to make sense of the details of their valuation and investment procedures and to justify them.

The funds under the ABS team's management grew from zero to €7 billion between 2001 and 2007. In the two following years, Acme accumulated losses of more than €2 billion. This was considerably little in relation to the losses incurred by major American and European banks that had heavily invested in these assets. The events since then have been termed a "crisis" also within the liberal frame described above, according to which misallocation is due to wrong pricing. In the press and in political and regulatory discourse, the causes of the crisis have thus been often defined as the fact that investors were not properly represented because of the greed or irresponsibility of financial professionals and the inadequacy of the incentives system. It has also been often argued that information did not circulate properly—for instance, because the assets were too complex or because some of the participants fraudulently hid data. In both cases, the supposed betrayal of the

concept of the investor, or the malfunctioning of the market, is expected to explain the real estate bubble—the hope of millions of US middle-class citizens that they were entitled to a home or the attitude of other millions of people whose money was being used.

This understanding implies that if these points had been addressed, there would have been no crisis, and that its resolution depends on redressing them. Just as in Fernand's discourse, the excesses of the financial industry (which is equated by the employee to the financial markets) refer to what economic theory calls the "price discovery" mechanism, which leads to an optimal allocation of credit. Thus, even when states proceeded to outrightly nationalize major financial companies, they explicitly refrained from obliging them to change their methods of valuation and investment, or from interfering with their operations as private actors who could behave like individual investors. Governments insisted, on the contrary, that incentive mechanisms be changed so that employees' representation of investors would be better respected.

At the time of my observations, the less risky tranches of ABSs, which later defaulted, paid an interest of around 3.6%. In order to attract investors such as those enacted by the employees of Acme and the rest of the financial industry, the state of Brazil had to offer, for a similar maturity of ten years, around 10% interest. A minor actor in the ABS and CDO network, Acme, in six years, had invested more than €7 billion in these assets, an amount comparable to the $10 billion (US) sovereign debt of the credit-deprived Democratic Republic of Congo (DRC), which was torn by war. A few years later, today, hundreds of billions of US dollars have been lost in the banking system because of the collapse of the real estate market that thrived thanks to the ABSs and CDOs such as those Juliette managed, while Brazil's state is considered a safer investment and the situation of the DRC has not improved. The existence and definition of a crisis is thus contested territory (Ortiz 2012). Yet, in financial regulation, these inequalities are still considered within the same liberal financial imaginary. If financial flows are the deeds of investors within more or less efficient markets, the hierarchical access to credit could only be a case of lack of efficiency or of the fact that those who are left out would need to adapt (Stiglitz 2006). When Juliette was evaluating and buying an ABS, she was considering that it was a part of the whole market of ABSs, which in turn was integrated by Acme's allocation department within the whole world market. Their procedures implied that these markets were close to efficiency, as the employees assert in their justifications, which could also mean that the hierarchy and the exclusions effected thereby were justified in terms of political or social justice on a global scale.

For Marcel Mauss ([1923–24] 1995), the fact that *kula* objects had particular exchange value was both constitutive of and the result of the social hierarchies defining who could exchange them. The social identities of individuals were determined by their position in the hierarchy of exchanges, which defined their "personas" and the meanings of concepts such as those of justice and freedom. Understanding the concept of financial value in this frame allows for seeing that it is not a non-ethical concept, as Weber would say. On the contrary, by defining the financial value of an activity, the financial industry inscribes it in a hierarchy deemed just on a global scale, thereby giving it its political worth within actual humanity. Financial value, thus, is at once technical, moral, and political in the

social space of the financial industry and of its regulation, which extends today to the whole world.

Conclusion

In *On the genealogy of morals*, Friedrich Nietzsche ([1887] 1969) invents a common origin of moral guilt and indebtedness. He considers that the dominant social positions were defined at once by monetary transactions and by their capacity to determine the imaginaries that gave meaning to the relation of forces with the dominated. This approach sounds counterintuitive only to the view that indeed there should be an intrinsic difference between economic value and moral and political values. What Nietzsche, and Mauss, hints at is that by following this disconnection present in Weber's neo-Kantianism and in neo-liberal discourse itself, we are risking taking part in the relation of forces itself, instead of being able to step out of it with a critical stance. Because investors are agents that only exist in their procedural enactment, they are not liable for the same need for political responsibility that a citizen is. As investors leave the DRC behind, attack the debts of Spain and Greece, or orient their money toward China, there is no concrete locus of political responsibility to address their disseminated agency. This absence of a subject, as described by Foucault, is not the proof of the absence of politics and morality in the process, but, on the contrary, it is a constitutive element of the relation of forces that the process entails.

In this paper I have described how the notion of value is central in contemporary professional financial practice. In the everyday, value creation and valuation are part of the technical definition of the procedures, calculations, and aims of employees, as they seek to maximize the return of the investments they make with their clients' money, in order to secure salaries and bonuses for themselves and a profit for their employer. Yet, these same concepts also work for moral and political justifications, which mobilize references to liberal theories from which they stem. They are fundamental in the official justification of current financial regulation, not just as a general discourse, but in its very details. This way to justify financial practice has also been central in the definition of a crisis and in the drafting of its solutions. Defining the financial value of an activity is also including it in a social hierarchy, where the accuracy of the financial valuation implies that it is morally and politically just. The word "value" implicates several registers—technical/economic, moral, and political—and this fluidity is part of how it is used to make sense of different situations in a global context.

In this kind of fieldwork, it is therefore probably better not to assume what the words "value" or "values" mean. In particular, it may be very misleading to accept the neo-Kantian dichotomy adopted by Max Weber, opposing moral values to monetary calculation. Weber himself considered this dichotomy to be historically conditioned and only partly achieved. Yet, if we accept it as a starting point, we may thereby be bound to accept the liberal representation on which this dichotomy itself rests. On the contrary, it is by being useful in different situations that the concept of value continues to work for moral, technical, and political explanations and justifications of the violence effected by the financial industry in the hierarchical way in which it distributes resources. It may therefore be more practical to keep on using broader terms, such as "meaning," and to concentrate on the specificities of each situation, in order to understand the production and

reproduction of violence through financial relations. In anthropological discourse, the use of the concept of value as an analytical tool may not only confuse the language of the observer with that of the observed, but more importantly, it may impose a stable and univocal meaning on a term whose use actually depends on how its meanings flow.

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La valeur financière: économique, morale, politique, globale

Résumé: Cet article analyse, à partir d'une observation participante, le quotidien professionnel d'employés de l'industrie financière. La valeur financière d'une activité sociale est pour eux déterminée techniquement par le revenu monétaire qui peut en être obtenu. Cela signifie inclure cette activité dans une hiérarchie d'accès au crédit, selon des considérations morales et politiques que l'on trouve dans la théorie financière et la régulation financière, qui visent à créer des marchés efficients où se retrouveraient les investisseurs individuels, et qui conduiraient à une allocation optimale des ressources monétaires globales. Ainsi, le cas présenté montre que les pratiques quotidiennes dans l'industrie financière ébranlent l'opposition présente chez Weber et dans le néo-libéralisme, entre une valeur économique (au singulier) et des valeurs politiques et morales (au pluriel). S'inspirant de Mauss et des tendances actuelles dans l'anthropologie de la monnaie, l'article conclut que le concept de valeur ne devrait pas être un outil analytique, mais qu'il fait partie de l'objet à étudier en tant qu'une des manières dont les personnes observées donnent du sens à leur propres pratiques.

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