Risk reaps reward. Yet cultural theorists have consistently ignored this social fact. This article draws upon fieldwork at the Chicago Board of Trade (CBOT), a major global financial futures exchange, to show the productive life of risk in contemporary capitalism. Very little work has focused on active, voluntary engagement with risk, such as financial speculation. Instead, ethnographic analyses have tended to explore how risk-taking and thrill-seeking behavior can challenge the constraints of modern social routines (see Lyng 1990; Mitchell 1983; Palmer 2000; and Simon 2002). Such dissident practices are represented as critical contestations of the modern rather than as constitutive elements of contemporary power and economic practice. In contrast, this article examines economic risk taking to show how these complex practices are exemplary acts of contemporary productivity that configure markets and shape speculators.

The productive life of risk takes several forms in the organization and practices of financial futures markets. First, risk produces the infrastructure and organization of futures markets. Following an actuarial logic, financial risks require management. The CBOT establishes a market in financial risk. Economic organizations such as the CBOT define, support, and routinize risks. They create contracts, match orders to buy and sell, perform accounting functions, and operate worldwide trade.

Rationalized risk-management markets establish the conditions for speculation in financial contracts. These modern institutions bring future hazards under control, allowing banks to forge systematic plans for the future of their firms and clients. However, for speculators, risk taking does not become routine. It retains the thrill of gain and loss. Throughout his career, a trader must learn to manage both his 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 certain kind of alchemy—turning risk into profit. The tightly regulated markets of the CBOT make speculation possible. Aggressive risk taking is established and sustained by routinization and bureaucracy; it is not an escape from it.
Within the trading pit, risk is productive in two key ways. First, aggressive economic risk is crucial to the social and spatial constitution of the marketplace. The conflicts and contests among traders define the marketplace. The traders sustain the market and, at the same time, the market is a site for the production of risk takers. In the pit, a particular kind of self is manufactured in relation to financial action. Risk is the key object for traders 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 rivals. These practices encourage the production of subjects who can sustain themselves under high-stakes conditions and thereby 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.¹

Risk, therefore, appears here in active and productive forms that are insufficiently explored in theoretical work on risk.² The perspective of risk generated from within the trading pit draws attention away from the avoidance of the negative consequences of uncertainty and refocuses attention on the following questions: What is the productive work of risk taking? What is there to gain by taking risks? In futures markets, the obvious answer is money. Risk taking includes the potential of ample wealth. But even in financial institutions, the answer does not end there.

From Hazard to Potential

In recent decades risk has emerged as a key concept across the social sciences, particularly in studies of contemporary modes of governance, self-formation, political responsibility, and reflexivity (Beck 1992; Burchell 1996; Douglas and Wildavsky 1982; Giddens 1990, 1991; Gordon 1991; O'Malley 1996). I agree with Bohlol (2003) and Caplan (2000) that the metatheories of Beck and Giddens and the individualized, choice-based perspectives of psychology and economics leave the anthropological arena of risk untouched. Explorations of active, intentional engagements with risk are particularly underdeveloped (Garland 2002; Lupton 1999) and represent an area where anthropology can intervene productively. A close investigation of how financial speculators engage with risk can yield new perspectives on both the risk concept and the relationship between markets and risk-taking subjects.³

Sociocultural examinations of risk have focused on two major themes. The first is the theme of anticipation and avoidance of loss. Risk is most often examined in how groups or organizations classify, mobilize, and intervene against the threat of loss or the potential of vulnerability to loss (Beck 1992; Castel 1991; Douglas and Wildavsky 1982; Levy 2000; O'Malley 1996).⁴ The second theme concerns the temporal nature of risk, particularly the way disjunctions between the present and the future create situations of fundamental uncertainty and significant problems for planning and control. For Luhmann (1993, 1997) and Giddens (1990), the attempt to “colonize the future,” to limit dangerous exposure by bringing the future under the influence of the present, is a hallmark of modernity. ⁵ The Chicago Board of Trade is a site that brings this modern pursuit to life. The CBOT uses contracts to package and channel financial hazards, providing tools to shift both the danger
and potential of the market from its clients to individuals or groups that specialize in profiting from risk. The organization provides both markets in futures contracts and a population of speculators to trade in risk.

From this perspective, futures contracts and markets work as a type of insurance—as technologies for distributing risk. A focus on the distribution of risk unites Schumpeter’s figure of the entrepreneur (who takes voluntary risks for economic profit) with recent writing on governmentality. Connecting risk and the political rationality of neoliberalism, work on governmentality identifies several manifestations of risk, particularly focusing on risk-avoidance rationalities and self-governance as critical parts of neoliberal subjectivities (Barry et al. 1996). Drawing the analysis into the economic sphere, Ewald (1991) argues that insurance is a technology for protecting financial well-being that encourages individuals to conduct their lives in market terms. There has been, however, less focus on the technologies of generating wealth, even though they are critical components of satisfying needs in contemporary capitalism. In the economic arena, creation and conservation of economic goods must be considered together.

Two important distinctions between insurance and financial trading are the widely different time frames and life worlds each engage. Insurance bridges the gap between social and economic domains, importing a logic of risk and financial calculation into spheres less fully penetrated by market logic. Subjects forged under these conditions project the odds of harm and financial compensation far into the future—even to the end of their own existence, as in the case of life insurance.

Financial futures traders, on the other hand, 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 (Zaloom 2003). 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, these dealers wager much more than money. Their market engagements are significant social games, a form of “deep play” in the heart of capitalism. Each trader displays a risk-taking self that his competitors, the market, and he himself will judge. In the pit, “character is gambled; a single good showing can be taken as representative, and a bad showing can not be easily excused or re-attempted” (Goffman 1967:237). Traders subject the self to redefinition in these moments of action. They can be seen as successful risk takers or as ineffectual individuals unable to engage the market productively. These games gain their significance from voluntarily placing the self under threat of annihilation. The reward is creating a newly defined self.

The practice of trading holds striking similarities to Goffman’s moments of meaningful action and Foucault’s idea of the “limit experience,” performances that wrench the subject from itself and create something new. For Foucault, playing along the limits of reason is a powerful force for remaking the self. In economic action, the future is that site of unreason. Possible futures can be posited or imagined, but they are never known. This territory at the edge of the present is both fertile and potentially destructive for the financial managers and traders who make up capital markets. The traders at the CBOT are financial specialists whose labor
is handling the risk and uncertainty generated by the transactions of others. Yet they are not the rational, scientific classifiers who define and discipline objects of unreason. Traders are manipulators of social situations, tacit knowledge, and corporeal strategies, all of which they do to extract profit from the market. Traders act far from the halls of reflection; and their forms of reason, as Bourdieu would say, are practical, not scholastic (1998). Profit and loss are the measures of successful action—not institutions or theories.

On the trading floor, limit experiences meet daily market reality. These workplaces are arenas where traders meet a situation of “maximum intensity” in face-to-face competition and the “maximum impossibility” of seeing into the future (Foucault 2000:241). In Foucault’s account, modern forms of reason identify limits and provide methods to contain, objectify, and understand what lies beyond. Yet he argued that there is an ecstasy in expressing and engaging these limits. The passionate play with the boundaries of the self and reason is the social stake of the trading pit. For Foucault, the limit experience is an integral part of the contemporary engagement with reason. However, his emphasis on the avant-garde and sexuality shifts attention away from the everyday venues, such as markets and workplaces, where social actors put their selves on the line. The traders who operate at the heart of modern capitalist economies take these kinds of risks every day. For speculators, even retaining their integrity and identity is often a mark of successful limit work. At the edge of annihilation and financial peril, mere survival is enough. Situations that package and circulate well-defined risks—such as the CBOT markets—create arenas where modern actors play out these critical games of self-definition.

Once we accept the social and institutional life of risk, the area of analysis can shift. How is risk mobilized as a cultural object? Instead of revising an abstract definition of risk, this reframing guides us to deal with risk as a problem of practice, and it raises the question of what risk taking can teach us about the concept of risk, when risk is both an object for display and a reference that guides traders in their self-shaping.

**Futures**

Risk is the business of the futures industry. From the trading floors of Chicago to the corporate Eurex offices in Frankfurt, risk is the object that futures markets manage. Futures exchanges are quintessential modern institutions. The contracts traded there bring the effects of contingencies of passing time under human control and planning. A futures contract is a binding agreement to buy or sell a commodity at an agreed upon price several months in the future. With these contracts, a farmer can lock in the price he or she will receive for his or her crop or a mortgage broker can know the price he or she will have to pay for bonds at year’s end. Futures contracts can be used to neutralize the possibilities of loss from unpredictable events. Hurricanes, floods, interest rate hikes, a falling Euro and a presidential embarrassment are all events that affect prices in agricultural and financial commodities. Futures exchanges around the world provide products for
harnessing these potential changes. Futures contracts are tools that render future profits knowable and subject to planning.¹²

As hedging tools, futures contracts protect against unanticipated events by formulating specific price risks and constituting rationalized techniques for their avoidance. Futures combine the reality of price fluctuations with passing time within a contractual agreement to buy and sell commodities in the future. The exchanges where traders gather to deal in these contracts are hubs in “the market for security” (Ewald 1991:198) (see Figure 1). This depiction of risk management is the one that futures exchanges use to advertise their services to the public. The video that the CBOT shows in its Visitor’s Center begins with an interview with a farmer, followed by shots of his corn field. It cuts to images of a confident mortgage broker at work in his office helping his customers purchase their homes at low interest rates.

In the United States, hedging with futures contracts arose in the agricultural markets of 19th-century Chicago. These contracts established prices for grains that were still seeds in the soil. Yet this technology for alleviating the risk for farmers and users of grains soon spawned a secondary speculative market in contracts (Cronon 1991). The original members of the Chicago Board of Trade made and
lost fortunes on the pendulum of Midwest commodity prices without ever having to own any stake in the contents of a grain elevator.

The CBOT became a place where professional risk takers gathered to buy and sell contracts. As the Chicago futures markets consolidated and grew, these speculators created a continuous, or liquid, market where anyone who wanted to trade could buy and sell futures contracts.¹³

Economics tells us that liquid financial markets, such as those in Chicago, London, and Frankfurt, transfer the uncertainties of production into the hands of 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 opportunity for making a living by taking risks.

In the past, speculators often produced commodities before they entered the speculative melee (Glick 1957). However, this connection between farm, feed lot, and futures trading has become more and more distant. Traders joke about the attenuated connection between speculators and the underlying commodities they trade. Grain traders kid each other about the results of forgetting to sell all the contracts they own. A truck, they declare, might show up at the trader’s home and dump a container load of corn on his front step. The humor here lies in the fact that in financial futures markets, the trader’s relationship to the physical commodity he is buying and selling has become increasingly 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 a different order of abstraction from contracts based on future yields of Kansas wheat. Yet the absence of the physical base for commodity value points to the central place of exchange in speculation. Knowledge of oat markets or macroeconomics is of limited use in the pits.

Speculation is a skill of its own that is quite apart from knowledge of markets in grain or treasury bonds. The skill 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 allay risk. In this sense, futures markets are exemplary sites of “cultivated risk” (Giddens 1991:133). 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 number of contracts they trade. This balance, or margin, assures the ability of the trader to pay for losses that 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 or need to have the cash 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. Speculators buy and sell contracts but do
not own them. They reap the rewards 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 three percent of the trades made on their exchange will end in “delivery,” when the manager, farmer, or corporation take possession of the bonds or grain shipment that lend their value to the futures contracts. Thus, almost all of CBOT trading business should be considered speculative.14

Watching and Being Watched

The strategies traders use to draw profit emerge in the specific social and informational contexts of CBOT markets. In the pits, traders watch each other’s moves. Traders use risk taking to control their own self-definition in interaction with others. They create a public definition of themselves as risk takers by performing for the constantly watching eyes of the other men in the pits.15 Traders perform risk taking and watch the risk taking of others, and in so doing they participate in the relational constitution of the market.

Even under such watchful eyes, risk reaches far beyond the calculation of the possibility of financial loss and gain. But what are they risking? What is at stake besides cash? In the pits a trader submits himself to the vigilant attention of the hundreds of others who will witness his successes and defeats, what he risks, and what he reaps. Along with money, he wagers his reputation and his definition of self in the eyes of others. His status is always on the line.

Traders scrutinize each other constantly. However, not all traders are considered equally worth watching. The success of a trader can be measured by how the pit watches his movements—whether to emulate or ignore him or to evaluate him as a competitor or potential ally. The audience is attentive to a skilled speculator’s every move. The trading arena defines who can see and be seen in the field of agon. In financial trading, technology is crucial for defining the potential audience for performances of risk taking. The pit is an exchange technology intentionally designed as an arena where a trader can see and be seen by every other trader in the pit. Each trader falls under the critical eye of each individual trader and the collective pit. In online markets, the audience for traders’ performances is reconfigured as the ability to watch is transformed. In online markets, risk managers and executives of the company are able to watch any trader’s transactions from the screens at their desks. Only the managers have access to the full picture of risk taking; they can see each trader’s size and exert heavy control over it. In the trading room, managers walk the floor watching over the shoulder of the traders. However, they do not always seek to limit a trader’s risk taking. They may witness a trader’s hesitancy in a market—a sign of a failure of nerve. The managers are monitoring the company’s exposure to loss, but they must also act to balance the potential losses with risk-taking strategies that make profits possible. Under the eye of the risk manager, the trader tries to ride the line between taking on too much risk and not enough.
In the pit, risk surveillance operates much more in the open. It interacts with the social topology of the pit and the ambitions of the traders. Intricate divisions constitute the field in which traders take financial risks (See Figure 2).

**Brokers and Locals**

There are two major divisions within the pit. The first is between brokers who execute orders from outside the pit, and locals who buy and sell contracts for their own accounts. Brokers accept orders from outside the market. They make transactions for financial houses or corporations in exchange for a commission on each trade. Brokers link the outside market to the internal world of the pits. In contrast, locals focus their energies on the pit itself. They speculate on price changes by risking the money in their own accounts in search of profit. Locals are also known as “market makers” because they assure the central function of the marketplace: For every buyer there is a seller. And for every money manager who is willing to bet that the market is going to fall, there is a local who will trade with him. In exchange for this service, they gain a time and place advantage by inhabiting the heart of the market and being able to see the flow of orders and feel the pulse of the trading day.

**Big and Small Traders**

The second major distinction in the pits lies between “big” traders and “small” traders. This is referred to as “size.” Size is the 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. The big traders may trade in lots of 500. Traders identify themselves and each other with their trading size: "I'm a two-lot trader," "He's a 50-lot trader." "He does size." The latter is a description always laced with respect and often a degree of awe. The ability to take on greater and greater risks by increasing size defines success among traders. "Size," the trader's reference for risk-taking skill, is the most important factor in organizing the social and physical space of the pit. The locker room competition within the language of size is unavoidable. There is an overt sexual economy that operates in conjunction with the market on the trading floor.

The hierarchy of size maps onto the ascending steps of the pit's octagonal structure. The social divisions within the pits define not only the pecking order but also the structure of opportunity for profit. The newest traders stand at the center of the pit, the section that is least desirable and most obscured. They are at once literally and figuratively underneath the vision of the bigger traders and the biggest 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. Whether they are long gone or appear every day to take their places at the top step of the pit, these traders 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, Bruce DeAlba, Joe Nicaforo, 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 also aspire to the top step. But making 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 amounts of risk. However, this is not simply a matter of implementing a decision to trade more. A small trader must navigate the divisions that separate him from the financial action. Moving from the center of the pit toward the top step, where the biggest opportunities lie, requires a strategy.

Measurements of risk taking between big and small traders organize the social and physical geography of the trading floor. Traders use risk taking as a strategy for both gaining status and securing access to the physical positions and social standing that are crucial trading resources. The trading processes contain a flexibility that traders use to their advantage. The rules of the pit dictate that the first trader who responds to a call has a right to the order. However, brokers and traders can exercise discretion over whom he sees or hears "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 at the Board of Trade for ten years described 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. A big local trader in the pit who I have a great relationship with. I got an order to sell. He bought it from me at the high of the day [the highest price]. 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 out of the litter…. 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 has strengthened his relationship of reciprocity with the broker. The client was able to complete a trade. By making that possible, the local has added to the liquidity of the market, and the broker will reward him for this 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 problem for small locals is gaining the attention of the big traders.

Moving Up

To attract their attention small traders must convince the bigger traders that they deserve a place among them. In earning their places as successful risk takers, they help the brokers and enhance the liquidity of the market by increasing their volume of trades. Because status in the pits is directly linked to their positions as risk takers, traders who are not content with their small stature feel pressure to take on greater size. This can be out of proportion to their capitalization, or the money that they keep as margin. The amount of risk here could be interpreted in two ways. One could look at the size of a trade in relation to the money in a trader’s account. How much he trades could be analyzed in relation to how much money he has in the bank. But this equation is not visible to the traders who watch him. What they see is his trading size in relation to what he normally trades and in relation to the size of other traders around him. What is seen is more important than what is hidden from the sight of the pit. The performance of a trader is gauged within the scale of risk taking that defines the status tiers of the pit—one- or two-lot traders, five-lot traders, ten-lot, 50-lot, and size traders.

Traders manipulate their risk taking to curry favor with the traders above them. Because of the spatial concentration of the pit, moving up from a position at the center onto the steps means displacing the traders who are already there. Each
trader stands in his own spot, and the social order of the pit strictly enforces the ownership of spaces. Finding and maintaining a space near the action is crucial. If a trader stands in another trader’s spot, he will likely be humiliated, spat 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 that he’s got that ego where he wants to trade 50. 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 forge a spot on the next step up. Paul, now a top-step trader, told me how he made his first move. Every day, Paul would step up to the next level and the traders there would shove him off. From the lowest level, Paul used an informal alliance with a top-step broker to begin increasing his size. The traders above Paul became embarrassed when Paul began literally 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.

But even when a trader obtains his 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 30-year bond pit illustrates this problem. Although she is now a very well-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 her appearance first, another younger trader would displace her because she was perceived as a weak link, a place where newer traders could establish their positions.

As a woman, Theresa’s vulnerability was extreme. The mutual scrutiny of the pit is explicitly between men. Women were not considered worth watching. There were few to lay eyes on at all, especially in the financial pits where business is most vibrant. In 1998, when business was roiling, there were two women among the 600 regulars who took to the steps of the 30-year pit most mornings. Women such as Theresa who survive in the pit are able to establish themselves as successful, respected traders. However, there was not a single woman among the “top dogs” of the financial pits. 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. The financial traders considered the agricultural section to be the domain of old men. Even in their insults, the women of the grain floor were invisible. Successful women traders often defined themselves as outside the risk-based status competition that raged around them, even as upstart male traders made incursions into their spots. The high-risk games associated with the financial trading floor were decisively masculine. Theresa, as a woman, was simply outside the pit’s rules of challenge and riposte. As a subordinate in the world of risk she simply had no right to a place in the pit.16 The neophyte traders took advantage of her symbolic weakness to claim her space as theirs.

Space is a critical object of dispute in the pit. Traders will defend their space against any incursion whether from novices or well-seasoned traders who migrate
between pits to try the market in a new product. Financial traders pride themselves on cut-throat competition and deride grain traders for using connections. However, even in the bond pit, 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 dealt in corn futures, told me about the day he decided to try his hand in the 30-year bond pit where contract size and volume were giving great opportunities. He entered the pit and took a spot on the third step, the same place where he stands in the corn pit. He did not go unnoticed. The trader to his right got angry that Dennis was taking up space, forcing him to turn his body sideways to remain on the step. A shoving match started. During the melee, 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.

Bigger traders cultivate their own spaces to create a “neighborhood” of risk takers that will support their deals. One broker described how he gets rid of encroaching traders whom he does not think will help absorb the risk that 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.” A broker named Craig 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.’ ‘OK’ [he says imitating the aggressiveness of a local]. ‘I’m the man.’ [Commenting in his own voice] Who cares if [the market is falling]. That guy was the man at six. And everyone in the pit saw him.

In Craig’s story, the local acts out his desire to make the market. And even as the market goes against this trader in the vignette, he gains recognition by taking on the risk of the broker’s clients. In the quote, the local identifies himself directly with the market; he says, “I’m the market.” 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. In “stepping up” to make the market at that price, he shows his willingness to assume risk. Even though, in Craig’s vignette, the local begins to lose money, he has demonstrated to the pit that he is a risk taker. And importantly for his continued ability to gain the trades he needs, the broker now identifies him with the “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 a golf outing. These gaps create opportunities to be seen. “You don’t take lunch in the pit when everybody leaves because it’s slow. 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 often directly 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 5” 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 [with superior and aggressive tone]. 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. The local collapses under the pressure of the risk a 50-lot holds. He cannot rise to the challenge of increasing his size. The risk overwhelms the trader. Instead of mastering the potential gain that a 50-lot carries, the fear of the potential loss incapacitates him. Victor depicts the trader’s collapse in terms of his performance. The trader’s bodily breakdown exposes his inability to handle the risk. Victor’s words depict the local as a deer frozen in the path of an oncoming truck, hot with anxiety and unable to move. He has proved himself both useless to the broker and an embarrassment to himself.

A trader’s movement through the ranks of the pit allows us to see the interplay between risk taking and its social returns. The possibilities and perils located in every trade tie financial and social rewards. Traders play the boundary between decisions and consequences that lie at the heart of the futures markets and determine the difference between social success and failure, wealth and bankruptcy. Risk orders the social space of the pit. Traders use engagements with possibility and hazard 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. This job description indicates how locals see themselves as taking risk into their selves and bodies. This intimacy with risk supports the yoking together of risk taking and self-determination.18

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. I decided to take this seriously and not simply dismiss it as an authenticity claim. I came to understand that the experience of placing a stake on the line was both critical to their self-perceptions and something that they felt was
beyond the power of mere words to convey. They were emphatic that risk taking was at the center of the work of becoming and acting as a trader. It is intensely personal, something that can be felt only in the immediacy of the moment and cannot be properly translated.\textsuperscript{19}

In the absence of the $10,000 minimum stake that I needed to enter the pit, a broker named Henry offered to be my guide in my search for these ineffable qualities. He suggested that we "paper trade." I took him up on his offer. 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.\textsuperscript{20} There is no room for distractions. I spent hours with my neck craned toward the price screen with a pen in one hand and a trading card in another. Quickly, the traders, both those I knew personally and those I had only known before by sight, began to train me. Henry traded with me for pennies. Mark tutored me in his system of limiting losses. Ethan told me about getting in on a number and out in an area. Traders passing me on their way in and out of the pit would take the opportunity to school me in the adages of trading, "Ride your gains and cut your losses," they would lecture. "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. It was important not to think too much. Abstracting the task limits the analysis. A trader pulled an edited volume 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. Trading centers on a feeling of wholeness, of fully engaging the market. Observing from a reflective distance is antithetical to traders' norms of practice. Paper trading showed me the connection between risk taking and the techniques of discipline that traders had been describing to me.

Trading is a profession that thrives on action, activities that are consequential, problematic, and undertaken for what is felt to be their own sake. The trading floor creates an arena where these characteristics are always present. Trading binds uncertainty and consequences. Traders create the conditions where risk can be its own end as well as a source of cash. 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 engagements with risk.

As we saw in the previous section, traders manage their definition as risk takers in the eyes of the pit. At the same time, traders rely on techniques that define a particular form of risk-taking self that can thrive in the action. Traders call this set of techniques "discipline." In the discourse of traders, discipline is both an idealized state and a concrete set of internal strategies. Traders use discipline as a tool to shape themselves into actors who can produce appropriate and successful interactions with the risks of the market. This assemblage of techniques works to remove each individual's concerns and desires from his economic judgments. The central virtue of the responsible trader is acute perception of financial information removed from the influence of his personal concerns. Discipline demands that, while engaged
with the market, traders purge themselves of affect and individuality. According to the logic of this technique they must manage the investments and reactions in order to make unobstructed perception possible. According to their professional norms, discipline enables traders to coast with the uncertainties of the market and judge effectively when to enter and exit the game. Speculators train themselves to become embodied instruments for reading the market and reacting to its every twitch.

Managing a trading self requires the artful application of disciplinary methods. There are four core elements of discipline: first, traders separate their actions on the trading floor from their lives outside; second, they control the impact of loss; third, traders learn to break down the continuities between past, present, and future trades by dismantling narratives of success or failure; and fourth, they create a stance of acute alertness in the present moment. For the individual trader, techniques of discipline are at the center of becoming proficient in speculation, of inhabiting the identity and practice of the risk taker. 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 significance that traders draw from their risky work tells a tale of financial pleasure. The economic incentive is not enough to explain the attractions of trading. Trading provides the opportunity to develop and perform self-control and determination for all who are watching.

Engaging the Future

For speculators, fate lies in the time gap between the present and the future. The risk-taking trader makes an assessment of 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, the result is disclosed, and the trade is settled. The skills of the trader lie in determining when to place his stake and how large it should be. He must then face the consequences undaunted in order to remain within the paradigm. In 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" (Goffman 1967:185).

Consequential risk taking evokes a particular affect of excitement and total assimilation into the action. This absorption in the present has similarities to the experience of mob violence. 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" (Buford 1990:205).

The volatile atmosphere of the trading floor also links risk taking with fighting. Trading often erupts into brutal matches of shoving and swearing, joining together literal and symbolic violence. Two paramedics staff the CBOT trading floor for those moments when the quotidian violence erupts 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.

This affective state and the daily engagements with fatefulness set trading apart from other economic activities and other areas of the financial industry. Where action is defined as outside daily life for most office workers who labor in bureaucratic, routinized settings, traders seek out engagements with fate. This quest places them in close connection with fighter pilots, professional athletes, and others for whom action is a central and defining feature of their occupations. Traders often acknowledged camaraderie with these other practitioners whose work links reactive, disciplined labor, status competitions, injury, and even sometimes death.

A trader's increasing wealth is an outward sign that proves 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 command to read the market, to interpret its signals, to deftly navigate its peaks and troughs, skimming profit from the edge of the global capital markets. He is able to determine his own fate when subjected to the uncaring whims of the market. The values of self-determination and free will stand at the center of traders' engagements with risk day after day in the futures markets.

These connections forge yet another link between the financial and social stakes of the pit. With every trade that he makes successfully, he accrues the aura of self-determination and success. However, losing money is more complicated. Taking a risk that results in a loss is more ambiguous. It is not necessarily the reverse of gain. Traders take losses every day. To take losses is a mark of a 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 both his sense of efficacy and social honor.

With every trade, a local will stake his money and over time his ability to define himself. The lived sense of risk taking in futures trading is a constant test on both levels. One good trade never guarantees the next. And although traders are surrounded by a social order that buttresses those that can prove their risk-taking acumen, it is swift in rejecting those who lose their skill. For even the most successful traders in the bond pit, their 'big dog' status is not a permanent achievement but must be proven over and over with each trade.

The Fall

Up to this point it may seem that the pit is a place where a trader with ingenuity, appropriate connections, and the refined techniques of the risk taker can climb onto the top step and into the upper echelons of the income bracket. The promise of this story hides the pain and desperation that can come from living with constant uncertainty. The collectivity of the pit pays out social rewards. However, traders describe the pains of loss that are experienced 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.
that sometimes end in suicide. Although I believe that some of these stories are accounts of actual incidents of self-inflicted death, they all have the qualities of moral tales about the dangers of wealth and hubris. They are tales of the fall of men who had once perfected the art of living within the uncertain gap between present and future but who could no longer exercise this mastery, losing all their money in the process. These stories portray the underbelly of the system of social rewards that so closely identifies risk taking, personal worth, and self-determination. This is an urban mythology of the pit’s dark side, and the stories express the collective fears of the trading floor and the ever-present possibility of failure.

Violence and fatefulness are drawn together in the equation between risk and self-determination. The identification with risk taking as an occupation, combined with the individuality and the intense physical experience of the pits, breeds a figure of the dishonored trader who suffers an agonizing collapse. The pit-based tests of speed, skill, and status pump adrenaline into traders’ bodies. This adrenaline buzz links the social and financial risks with physical pleasure and pain, and traders must work to shed the physical feelings of risk taking and the affective force of trading when they leave the pit. As early as ten in the morning, traders perched on stools at the bar in the lobby bar of the CBOT. They rid themselves of the residue of competition by numbing themselves with alcohol and drugs, finding release in the gym or even, sometimes, leaving the trading floor behind through meditation. As Jack commented disapprovingly: “Drinking and drugs. You know, like 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.”

Whatever method they choose, 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 mean there’s been guys. 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 [at the CBOT], very nice guy, terrific. 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 don’t know, but he was a much better trader than I was. 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. You know what I mean. I couldn’t believe that this guy—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 Rose 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, one of these guys who would get cars for people. He had a connection to a car dealer. Carbon monoxide. [A third] overdosed on Quaaludes.

These traders could no longer perform the alchemy of turning risk into profit. Each story describes the collapse of self-management at the edge of the present. This failure severs the anchor for the technique of discipline and the professional identity of the speculator. These deaths expose the underbelly of the Dionysian qualities of capitalism that first attract traders to the action of the pit.24

Risk and Self-creation

Why would traders subject themselves to these pressures? Play within the social stratification of the pit is a constant test of discipline and fortitude of the self. In the pits, successful traders demonstrate their style of conduct under conditions of risk every day. The constant gamble of self in the action of the pit demonstrates the individual’s particular virtue. Like champion boxers, traders return to the ring day after day even when they can afford to retire many times over.25 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.” A simple economic logic cannot explain the commitment of traders to their task. Yet it is in the trading pits of Chicago where this economistic logic should hold with the greatest strength.

The rewards are more than money. Gains are a score card but not the end in itself. The rewards of trading lie at the nexus of risk and self-definition. For the pits—which on the surface appear as spaces of crass materialism and economic reductionism—are also places where men take pleasure, court danger, and craft social selves as they create a market. Traders play the game, but winning is not necessarily the first objective. Moments of re-creation are at the core of the speculator’s endeavor. The possibility of defining and redefining the self lures the wealthy speculator back to the pit day after day. It is not enough for these traders to be at the pinnacle of their professions. They generate their character in the eyes of others with each trade. Each risk is a chance to express their discipline in the face of fate, their skill for riding the waves of the market. It is a chance to prove that they can earn their spot in the pit with every dollar that they pocket. The successful trader stays balanced on the edge of possibility and loss. He puts himself in a precarious position because it is there, at the edge of the future, where he creates and displays a disciplined self.26 Working within the matrix of firm decision and swift consequence contains the possibility of rising and falling on your own merits. A trader must maintain the fine balance necessary to work with risk.
Anyone can play at the action; only a very few can make their living on the high wire.

The Productivity of Risk

Analysts have characterized high-risk activities as ways of escaping the routinized contemporary world. Skydivers or mountain climbers report their attempts to escape social constraint to draw closer to their “true” selves. Traders skirt the edge of this romantic project. Yet the risks traders take are generated within a modern institution and are intricately tied to the exercise of rationalized control, both as a matter of their own discipline and the market in insurance.

The explanation that voluntary risk taking is a simple rebellion against the limits of modernity is insufficient. Financial exchanges use contracts to package and deal in risk. The logic of insurance and protection that creates a need for these markets has fostered a class of specialists who negotiate economic uncertainties for profit. Speculators’ labor at the limit of the future is just as much of a modern product as working to escape social constraints or the consequences of passing time. The interest in fateful experiences and their elimination from daily life must be considered as a pair, rather than as oppositional to each other.

Risk is a productive force. In finance, contemporary forms of productivity emerge apart from the manufacture of commodity goods. Fashioning risk-taking actors and marketplaces is fundamental to contemporary economies. Risk is the object around which traders organize their conduct and shape themselves. Traders stake capital on daily speculative competitions. Simultaneously, they wager definitions of the self.

Markets create high stakes situations. With money and self both on the line, the norms of discipline are stringent and the demand for market virtue is intense. High-stakes situations are powerful in the creation or destruction of a definition of the self. The strength of social and individual punishments and rewards reflect this force. In the pit, traders measure their reputation as reflected in the eyes of others and gauge success or failure by adherence to the dictates of discipline. To become worthy market actors they impose strictures on affect and their desires for wealth. Appropriate economic action is achieved 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.

When looked at through the self-management of the speculator, individualized notions about risk calculation give way to a more complex field where risk is an object of struggle and contestation. Risk taking is not a calculated decision but something that 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 possibility of self-annihilation through economic risk taking. This wagering of the self shows how active engagements of risk do more than challenge the
daily experience of routinization and the bureaucracy of modern life. These are high-stakes situations where subjects are made and unmade.

When we define risk synonymously with danger, the orientation toward hazard occludes theoretical attention to the productive dimensions of risk. Using examples from the economic sphere, I have shown how risk operates to shape 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 do not need to define such engagements as critiques of the modern. Active engagements with risk are a locus of production of self and space in contemporary economic and social life.

Notes

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1. I use the concept of productivity here to describe the generation of risk-taking selves and active marketplaces. Most often the concept of market productivity refers to the manufacture of objects. In a financial economy based on the circulation of signs, the concept of productivity and the importance of work are still central. However, the locus of production shifts from commodities to forging individuals who can create and sustain markets.

2. An analysis of risk as a productive force could be equally applied to arguments by Douglas and Wildavsky (1982) and Beck (1992) and also to studies of risk as a component of governmentality (e.g., O’Malley 1996). However, the negative valence of risk in all three of these perspectives emphasizes protection rather than productivity.

3. Economics has long recognized the importance of engagements with uncertainty—the act of risk taking—for making profits, both for individuals and for the dynamism of capitalism (Schumpeter 1942). Drawing on the foundational work of Frank Knight (1921), economics maintains a rigid distinction between the probabilities of risk and the haze of uncertainty. As Pat O’Malley (2003) has observed, the positive human sciences have sought to subjugate the creative role of risk to rationally calculable plans. Risk society theses and Weberian analyses of rationalization have also banished activities that have uncertainty at their center. However, the practices of speculation are now receiving the kind of attention that they had lost at the end of the 19th century. The analytic distinction between risk and uncertainty does not hold up under a consideration of speculation as a practice. Yet anthropology, where agonistic competitions are subjects of keen attention, have largely neglected to account for the actions and potentials of risk taking that are most easily seen in the economic sphere.

4. The choice of ecological peril as a test case for the concept of risk in the two most widely cited theories, those of Ulrich Beck (1992) and Mary Douglas and Aaron Wildavsky (1982), narrows their use of the concept. Particularly for Douglas and Wildavsky, risk is synonymous with danger, a focus that fits their concern with the sociocultural selection of risks. Although, unlike Beck and Giddens, they do not see risk itself as a particularly modern problem, their claim that the concern with technological hazards is a modern trait fits with Ulrich Beck’s definition of “risk society” that situates reflexivity as a central contemporary problem. Both of these studies closely associate risk with the potential for loss and, even more specifically, the potential for physical harm.
5. Niklas Luhmann’s work moves a step closer to a concept that illuminates voluntary risk. He understands risk as a condition of decisions and places the responsibility for loss (or gain) in the act of anticipating a future that is still undetermined (Luhmann 1993). Risk is, therefore, a problem of acting at the limit of knowledge. In the work of speculation, traders make hundreds of predictive decisions every day by placing stakes on the future direction of the market. Luhmann focuses attention on the problem of making decisions at the juncture between present and future, a problem central to economic action. Although Luhmann’s conceptual approach does not incorporate the work of risk taking, his framework can help to develop an understanding of the practices of risk.

6. Governmentality theorists focus most often on health and biopolitics. In monitoring the body and working towards health, the individual becomes responsible for him or herself. Individuals become entrepreneurs of the self to create a healthy and happy person through self-improvement (Gordon 1991).

7. Michael Burawoy (1979) and Leslie Salzinger (2003) have shown how significant games of production and gender work in the service of manufacturing. These games are equally as important in the postindustrial economy where the circulation of information and the exchange of signs is key. At the CBOT, the circulation of financial commodities happens within the daily re-creation of risk-taking subjects. In this sense the trading pit is an important example of a culture of circulation where norms of evaluation, constraint, and action develop around the act of exchange (Lee and LiPuma 2002). Like the status rivalry that marks the cockpit, the wagering of the self and status that takes place in the pit is central to the action (Geertz 1973). At the CBOT, the action is simultaneously the creation of a market and the constitution of a social field and the individuals that comprise it.

8. Goffman describes how in moments of action, “The individual . . . display[s] to himself and sometimes to others his style of conduct when the chips are down. . . . To display or express character, weak or strong, is to generate character. The self, in brief, can be voluntarily subjected to re-creation” (Goffman 1967:237).


10. Both historical policy debates and contemporary social theorists have drawn analogies between financial markets and casinos in their orientations to risk. See, for example, Harvey 1989, Jameson 1997, Strange 1986. In the 19th century, Chicago futures exchanges worked to distinguish themselves from “bucket shops,” establishments typically close to the exchanges that offered betting on the direction of futures prices. The exchanges established their legitimacy by denying the resemblance of trading and gambling. They claimed that their contracts could be used in the service of production as hedging tools (see Cowing 1965; Falloon 1998). The connection between speculation and gambling that analysts draw points to the critical role of risk and risk taking in financial markets, yet it does so at the price of obscuring the specificities of financial markets and the special relationship between financial markets and capitalism. Tarring the field with the brush of illegitimacy denies us a more nuanced understanding of the significance of risk and risk taking in this high-modernist institution.

11. Futures contracts are examples of the way that “the future is continually drawn into the present by means of reflexive organization of knowledge environments” (Giddens 1991:3).

12. As in the work of Niklas Luhmann, Ulrich Beck, and Anthony Giddens, the work on governmentality argues that efforts to manage risk and control uncertainty are central to modernist projects.
13. Carruthers and Stinchcombe (1999), Cronon (1991), and Espeland and Stevens (1998) have all shown the importance and complexity of creating common measurements and the "necessary fiction" (Cronon 1991) of homogeneity within products for commercial circulation. These processes establish tradable commodities, the necessary first step for creating liquid markets. Economists claim that liquidity mitigates risk. When a trader or manager develops doubt about his or her position in the market, a liquid market allows that owner to close out the position without taking on the risks of time passing as s/he searches for a buyer.

14. The boundary between hedging and speculation is slippery. Hedging, like speculation, is a bet on the direction of the market. The difference lies mainly in a moral argument over the relationship of trading contracts to the underlying material production.

15. Looking at risk as part of the traders' self-presentation in the market draws on Avner Offer's (1997) essay on economic life as the pursuit of regard and Harrison White's observation that producers' scrutiny of their competitors constitutes markets. What White claims for the level of the firm is also true for individual traders in the pit. He claims that "what a firm does in a market is to watch the competition in terms of observables" (1981:518). For traders, the observables are their competitors' patterns of buying, selling, and risk taking. This mutual observation, imitation, and judgment of risk-taking is a key way that market makers learn successful techniques of trading and self-display and contribute to the structuring of market transactions (Garsten and Hasselstrom 2002; MacKenzie 2004).

16. The gendered aspects of the pit deserve a full-length treatment of their own. This analysis is indebted to Bourdieu (1979).

17. In addition to structuring the social landscape of the pit, the creation of trading neighborhoods affects the price of CBOT products. The neighborhoods create small markets within the larger market, a fragmentation that exaggerates price volatility (Baker 1984). The social organization of the pit has a direct impact on the overall market as well as the individual strategies of traders.

18. It is important to note that risk taking among traders is not "compensatory" in the way that Richard Mitchell (1983) describes for mountaineers who seek risks in the mountains that are absent in the rationalized, controlled workplace. This perspective opposes "daily life" and risk taking, whereas in the futures markets, these are one and the same. For traders, risk taking is the central activity of their occupation. Their risk taking uses the rationalized tools of futures contracts as fodder.

19. In this way risk taking in futures markets resembles Erving Goffman's observation about the affective state central to the "action" where intensity and fatefulness are combined (Goffman 1967).

20. This state is very similar to the flow experience Csikszentmihalyi (1990) describes.

21. For Foucault the arts of self-governance are the uses of techniques for "training of oneself by oneself" (Dreyfus and Rabinow 1983:246). Techniques of the self treat the self as an object to be formed in harmony with a specific end. For traders, exercising this "exact mastery" eliminates nonmarket influences to create a person who can be absorbed completely in the rhythms of the market. He works to submit himself over to the authority of the market stripped of his own thoughts, analyses, and desires.

22. Goffman noted that working with risk differs from playing with risk as a leisure activity. He claims that in occupations where people take risks to earn one's living, a special relationship to the work world emerges—one that makes a virtue out of voluntary engagements with fate (Goffman 1967: 188). Goffman's distinction between working and playing with risk is important for seeing speculation as an ethical field rather than as just another expression of gambling. However, his argument reduces the attractions of risk to a
necessary evil. Those that work with risk in his description must rationalize their risk taking. These occupations *reinvent* risk as a virtue. Goffman still begins from the assumption that positions of risk are undesirable; a notion that leads him to underestimate the pleasurable side of risk in work.

23. Mobs, violence, and speculation have been associated in social theorizing, at least since the time when Gustave Le Bon (1977) and Charles Mackay (1974) trained their Victorian eyes on the irrationalities of crowds. Both observed the dangers of succumbing to unreason, especially the loss of individuality and the predisposition of crowds to violence. The unreason of crowds links together speculative manias such as the Tulip-mania in 17th-century Holland, when prices for tulip bulbs cost as much as real estate along Amsterdam canals, with the murderous nature of witch-hunts. Also see Kindleberger (2001) and Chancellor (2000) for in-depth treatment of speculative manias.


25. In "The Prize Fighter’s Three Bodies," Wacquant (1998) shows how for poor African American men on Chicago’s Southside, boxing is more about bodily and spiritual transformation than about the dream of getting rich. Wacquant’s skepticism about economistic explanations is as applicable in the CBOT pits, where money is central to traders’ labor, as it is in the ghetto gymnasium.

26. This quality is not unique to trading, yet it is not the central concern of all jobs. Gerald Suttles observes:

> Most people reach the top of their profession or occupation relatively early in life and if they are to continue to find interest in what they are doing, they must play with their stratification system... Indeed, one might advance the hypothesis that the person who is a grind, someone who adheres to accepted practice with unfailing devotion, is unlikely to win the long-term acclaim that he is said to be heading for. He will expire of boredom beforehand. Style and self-esteem, then, are as essential as the incentive of ultimate social acclaim. [1983:x]


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ABSTRACT  Contemporary social theorists usually conceive of risk negatively. Focusing on disasters and hazards, they see risk as an object of calculation and avoidance. But we gain a deeper understanding of risk in modern life if we observe it in another setting. Futures markets are exemplary sites of aggressive risk taking. Drawing upon extensive fieldwork on trading floors, this article shows how a high modern institution creates populations of risk-taking specialists, and explores the ways that engagements with risk actively organize contemporary markets and forge economic actors. Financial exchanges are crucibles of capitalist production. At the Chicago Board of Trade, financial speculators structure their conduct and shape themselves around risk; and games organized around risk influence the social and spatial dynamics of market life. [capitalism, Chicago, exchange, finance, risk, speculation, United States]