



CHICAGO JOURNALS

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*Out of the Pits: Traders and Technology from Chicago to London* by Caitlin Zaloom  
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*American Journal of Sociology*, Vol. 113, No. 5 (March 2008), pp. 1435-1437  
Published by: [The University of Chicago Press](#)  
Stable URL: <http://www.jstor.org/stable/10.1086/588226>  
Accessed: 29/04/2015 08:24

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## Book Reviews

more money than good taste, run amok, spend wildly, and lose control. For Offer, the rich are indeed different . . . from each other.

*Out of the Pits: Traders and Technology from Chicago to London.* By Caitlin Zaloom. Chicago: University of Chicago Press, 2006. Pp. xiii+224. \$29.00.

Brooke Harrington  
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In this ethnography of financial trading pits in Chicago and London, the anthropologist Caitlin Zaloom returns to a classic theme in her discipline: the study of patterns and processes of exchange. But instead of the transactions in shell armbands and necklaces that Malinowski traced in the Trobriand Islands, Zaloom follows the trade in a far less tangible set of commodities, known collectively as “futures.” Such exchanges play an increasingly important role in global finance, serving as a kind of lubrication for the engines of transnational capitalism by ensuring that money keeps flowing and markets keep clearing across boundaries of time and space. Futures, which are contracts to buy or sell some commodity at a fixed price on a fixed date, were first established in Chicago for the trade in agricultural products like corn and pork bellies; appropriately enough, Zaloom starts her study as a runner in the agricultural section of the Chicago Board of Trade (CBOT), where it all began. But her odyssey through the labyrinth of modern finance also follows the trajectory of the markets themselves, resulting in her evolution into a professional trader specializing in treasury bond futures.

Moreover, her account covers a period of extraordinary change in these markets, the late 1990s and early 2000s, when the traditional face-to-face trading system known as “open outcry,” which had prevailed since the founding of the CBOT in 1848, gave way to automated trading by computers; for example, it was shortly after her stint as a trader in London that commodities exchange became fully electronic. This shift from human- to computer-mediated trading not only meant the end of an occupational group—the colorful ranks of commodities traders—but served as a milestone in the 21st century reorganization of world finance. Zaloom’s snapshot of this transitional phase in capitalism is particularly valuable because the same kind of change is happening (albeit more slowly) throughout financial markets—most notably in the New York Stock Exchange, whose 2005 merger with electronic trading firm Archipelago is generally interpreted as the beginning of the end of human-mediated stock trading. Zaloom does a good job of pointing out the numerous paradoxes involved in this transition, such as the tectonic collisions of premodern and modern modes of exchange on futures trading floors, the tension between the rational-bureaucratic institutional structure gov-

erning the pits and the sheer animal chaos of interpersonal interactions among traders, and finally, the clash between embodied and disembodied sociotechnologies for transacting business.

It is a fascinating story, likely to be engaging not only for sociologists, particularly those interested in markets, but for other social scientists and nonacademic audiences as well. In addition, the text is peppered with numerous memorable lines and acute observations. Zaloom opens the book by acknowledging the link between the conduct of trade in the futures pits and the “occult practices” (p. 3) of the remote tribes once studied by her disciplinary forebears, like Malinowski and Mauss. Another observation is worth quoting at length, because it suggests the value of studying financial markets from the perspective of cultural anthropology. Contrary to expectations that many readers might have about traders’ attitudes toward profit and loss, Zaloom cites an “old-timer at the CBOT” whose “theory was that taking small losses allows traders to become familiar with losing and to gain control over the impact of a loss. . . . ‘You have to love to lose money . . . to be successful.’ Taking losses is so significant for traders’ discipline that traders often claim that their ‘best’ trades were ones where they cut their losses before a situation became dire. *They insisted on a distinction between the ‘best’ trade and the trade that had made them the most money*” (p. 132; emphasis added). Given the significance of concepts like profit across the social sciences, such observations are very useful in helping theorists build more accurate and robust models of motivation and outcomes in economic life.

In light of all these positives, it is regrettable that the book is marred by being poorly organized and offering virtually no information about the study’s methodology. The first chapter, where a sociologist would expect to find at least a sketch of the ethnographer’s methods—answers to questions like *when?* *who?* and *how?*—instead provides a detailed history of the CBOT, including the names of the architects who drafted the plans for the present-day exchange building and stories of the conflicts over its floor plan and façade. While some of this information bears on core themes of the study, like the physical embodiment and environmental conditions of trade, the level of detail is overwhelming and makes it very difficult to recapture the narrative line of the book. In contrast, a great deal of crucial information gets treated as incidental, such as the description of the basic physical activities of commodities traders at work; it is actually quite important for readers to be able to picture and understand the hand signals traders use to communicate or the significance of their location within the pits, and yet that information first appears in chapter 7 of an eight-chapter book. It is difficult to understand how the data from the study got organized and prioritized in this way, but it creates a good deal of unnecessary confusion.

The methodological and contextual information one expects never does get presented, at least in a way that would be considered minimally acceptable in a work of sociology. For example, it is difficult to answer even

basic questions such as, When exactly was Zaloom in Chicago and London? Some clues are scattered throughout the book like a trail of breadcrumbs; after combing through the text several times, I am fairly sure that the Chicago portion of the study began in the summer of 1998, and the London portion began in the fall of 2000, but I was unable to figure out when the fieldwork ended, or to trace the progression of Zaloom's various roles and training periods. This not only disorients readers but obscures Zaloom's contribution, which is a shame, because she has much of value to tell us about the new patterns of global trade.

*Privileged Places: Race, Residence, and the Structure of Opportunity.* By Gregory D. Squires and Charis E. Kubrin. Boulder, Colo.: Lynne Rienner Publishers, 2006. Pp. 183. \$49.95.

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*Privileged Places* focuses on examining the way race, class, and place intersect in structuring exposure to crime and opportunities to obtain housing. Squires and Kubrin's narrative, blending theory, empirical examination, and strong analysis, lays bare the multilayered manner in which race and place structure urban areas, and it offers a nuanced context for understanding the roles that individuals, communities, and policies play in perpetuating and potentially combating inequality. The narrative is divided into two connected threads: the first centers on housing mobility, predatory lending, and discrimination in the property insurance industry, while the second takes on the relationship between access to capital and exposure to crime, as well as rates of recidivism.

The first, and main, thread is based on original data analysis of the Community Reinvestment Act (CRA) and its effects. Studies have documented the CRA's effectiveness in forcing depository institutions to extend credit to traditionally underserved markets—in particular, both low- to moderate-income neighborhoods and racial and ethnic minorities. Squires and Kubrin extend this research by examining whether CRA policy expands minority homebuyers' access to traditionally white neighborhoods. Using data from the 2000 Census and Home Mortgage Disclosure Act for 121 metropolitan areas, the authors find that the CRA has a positive impact on the residential location of minority homebuyers. In other words, minority homebuyers living in areas where a greater number of loans were made by CRA-covered institutions tend to have greater access to white neighborhoods and, in turn, the wealth accumulation benefits associated with such neighborhoods. Based on their findings, the authors rightfully call for an extension of the CRA to cover nondepository lending institutions.

The next two chapters extend this discussion by detailing damaging