

## Embedded in the Street: Studying Up, Studying Down

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*Liquidated: An Ethnography of Wall Street.* By Karen Ho. Durham, N.C.: Duke University Press, 2009. 392 pages. \$94.95 (cloth). \$25.95 (paper).

*Off the Books: The Underground Economy of the Urban Poor.* By Sudhir Alladi Venkatesh. Cambridge, Mass.: Harvard University Press, 2006. 448 pages. \$18.95 (paper).

Income inequality—the gap between rich and poor—grows apace in the United States, as it has since the 1970s. If the worrisome fact of this widening chasm is widely accepted, its proximate causes are as widely debated. Asked to illustrate the far edges of the widening income gap, a casual observer might well draw, on one end, Wall Street investment bankers and, on the other, poor, black residents of a neighborhood like Bronzeville on Chicago’s South Side. Few, however, would expect to find similarities in the everyday lives of these groups, which are apt to be considered as far apart culturally as they are economically. Yet in the two ethnographic accounts under review, each group’s social practices share remarkably similar senses and expressions of temporality.<sup>1</sup>

In Karen Ho’s work, as in Sudhir Venkatesh’s, binary divisions between an idealized market and imperfectly rational responses to it crumble, replaced by the premises that all choices and all actors are embedded in institutions, in cultures, in history, and that actors’ practices must proceed in and through these to create “the market.” Thus the explanations bankers offer to Ho about the market’s power and their responses to it must be read as cultural values and aspirations, not actual diagnoses. This theory of embeddedness suggests that the most adequate analysis of the power of individuals’ ways of being in the world, rather than focusing on the blunt power of capital or the state, is a type of methodological embedding, a low-flying social science of observation. Ho writes that she chose to investigate Wall Street because “investment bankers are highly visible in terms of their own self-representations and claims to truth and authority, yet culturally invisible in terms of their everyday prac-

tices and assumptions” (31). Bronzeville, the site of Venkatesh’s ethnography, could be considered the exact inverse: cultural representations of the everyday practices of the urban black poor people are extensive in the United States, yet the self-understandings of these actors, and indeed the incompatibility of these understandings with mainstream narratives of them, rarely enter popular or policy-oriented conversations. Each author independently finds that these groups, facing a racial divide, who would surely imagine the other to be at opposite poles of hegemonic power relationships, both engage in what Ho calls “short-termism” or “the strategy of no strategy.” This financialized temporality comprises a set of practices and predispositions oriented around attempts to achieve and lengthen periods of stability in a system of increasingly debt-encumbered, foreshortened futurity.

Ho and Venkatesh, however, shy away from attributing much analytic weight to broad changes in the structure of capitalism. Rather, in Ho’s phrase, their informants’ “worldviews-in-action” explain these structures of feeling. Yet in both cases, these are characteristic, in scholarly analyses, of the shift away from Fordism, and its cognate Keynesian economic thinking, toward a new period of “financialization.” This historical shift, as such analysts as David Harvey, Ruth Wilson Gilmore, Fredric Jameson, Aihwa Ong, and Randy Martin have shown, entails a sustained, if uneven, movement away from state-directed provisioning for social welfare; long-term job security, unionization, and rising wages; and staid financial practices geared primarily toward increasing levels of consumption of mass-produced goods.

Financialization, as a socioeconomic concept, gathers together many of the causes and unintended consequences of this shift. On the consumption side, it refers to results of the decreasing stability of employment. Real wages have been flat or declining since the late 1960s, and workers have been forced to go into debt to make ends meet. Household debt jumped from approximately 40 percent of GDP in 1960 to 100 percent in 2007. In turn, this debt, transformed into profitable financial commodities in new ways thanks to technological innovations, led to a shift in the source of profits for the whole economy of the United States, the production-side meaning of the term. In the 1950s, 10–15 percent of total profits derived from the financial sector. Before the recent crisis, the figure was over 40 percent. Rather than augur a transformation of this state of affairs, Washington’s responses to the crisis were oriented around its maintenance and extension, inequality be damned.

The focus of Venkatesh’s *Off the Books: The Underground Economy of the Urban Poor*, Bronzeville, is the “ghetto” most analyzed by social scientists in the twentieth century. Studies of Chicago informed the pioneering American urban

sociology of the University of Chicago's Louis Wirth, Robert Park, and Ernest Burgess. Bronzeville was the subject of such landmark works as E. Franklin Frazier's *Negro Family in Chicago* (1932) and St. Clair Drake and Horace Cayton's *Black Metropolis: A Study of Negro Life in a Northern City* (1945). Stages in this neighborhood's development correspond roughly to widely used ideal-typical conceptions of the American ghetto.<sup>2</sup> Informed by this tradition, but diverging from it, *Off the Books* takes as axiomatic that although the political economy of "Maquis Park" in Bronzeville may be "underground" or "shady," it is impossible to distinguish rigidly the area's underground economy from a legitimate one. Venkatesh's signal contribution thus is to doff the blinders that encourage a view of only one side of rigid distinctions between legal and illegal, employed and unemployed, licit and illicit. Venkatesh's work, which earned him mainstream prestige, has met with criticism for failing to adhere to scholarly conventions, such as providing information to enable others to identify his pseudonymous field site or systematically documenting where his informants, their employers, or their customers live and work, whether inside or outside Maquis Park. His measured repudiation of liberal social-science convention stems from a sense that its ingrained epistemology hinders clarity about how agents in Bronzeville act, as agents, in everyday life bestride the binaries of employed/unemployed, licit/illicit.<sup>3</sup>

Venkatesh therefore examines the complex interplay of various institutions and their representative personalities, from gang leaders to preachers to mothers, in this economy. Despite an absence of traditional jobs, salaries, and commodities produced, capital, he shows, does circulate in this world. With permeable boundaries between criminal and legitimate activities, this circulation may not conform to rigid expectations of how value is produced, and it may entail ongoing accumulation by dispossession, partly set in motion by the literal and figurative violence of rentiership-cum-extortion. In Bronzeville, if one could do away with the law, it would become clear that the circulation of capital matches many of the expectations maintained in various other social-spatial configurations. Indeed, against some of the sociological tradition in which this book is situated, it is clear that the evidence does not bear out the supposition that lack of work is the driver of the Bronzeville shady economy; instead, work takes various forms and is characterized by its precariousness. Yet Venkatesh also shows how the scarcity of actual cash in this area leads to many nonmarket practices of exchange, as well as locally circumscribed loan-sharking and debt peonage. Almost every page details in-kind transactions, barter, and threats as existing alongside or even as overwhelming normative production-consumption circuits mediated by the universal equivalent of cash. The explanation for the

paucity of cash, much less bank credit, is historical, bound up in the dynamics of racial-geographic transformation of the twentieth-century United States and agro-industrial restructuring; failures of Fordism-Keynesianism to redress injustices, including the practice of redlining; and federal devolution, welfare-state retrenchment, and subsequent monetization of social services through philanthropic public-private partnerships. But there is more to it.

Possibly out of veneration for Chicago's estimable contribution to the discipline of sociology, Venkatesh shows but does not interrogate how the very shorthand term "shady," which he takes from Drake and Cayton, as well as from his informants, is bound up with phenotype, skin color, and race-making. The shady economy does not wholly comprise illegal or illicit activity: yes, drug dealing is part of it, but so is selling homemade food in the park, fixing a flat tire in the street for cash, helping a neighbor prepare a résumé, or even dropping a dime to the police in exchange for leniency. True, such entrepreneurs do not pay taxes, but these off-the-books economic activities are akin to the suburban lemonade stand or babysitting gig. With capricious and uneven enforcement of laws in the ghetto, legal distinctions appear to have both an ad hoc and a racially selective character. Though it would be easier to examine one sphere of economic activity that fits within discrete boundaries defined historically and legally, Venkatesh aspires to examine the lived reality of Bronzeville residents in aggregate, to document the fluidity with which even the most respected among them, like preachers, travel between licit and illicit worlds. Yet what describes Bronzeville's economy is that it is "shady." To be sure, the nebulous character of exchange off the books renders the distinctions fuzzy, which is part of what Venkatesh is trying to reveal, to bring out from the shade.

One of Venkatesh's informants deploys the word "shady" to name the practice of making money off the books with the blessing of a local powerbroker, which once fell within the purview of the Democratic political machine of Chicago and its circuits of patronage (374–75). Today these circuits no longer exist, and the blessings to conduct business in the shade are more diffuse and often conferred by gangster-rentiers who demand a cut. In the struggle for social reproduction, with women navigating the need to provide for households financially while also ensuring safety, Venkatesh argues that "how they act in a collectively efficacious manner is rooted in attributes particular to poor, *African American* communities" (88). The dearth of private space conditions the need to use public space for succor, but the dearth of financial stability conditions the need to take advantage of any income-generating opportunity that arises. In *Black Metropolis*, he says, "*shady* referred both to underground earnings and the specific individuals who gained local power, prestige, and respect by

laboring illegally, settling disputes, dispensing off-the-books patronage, and otherwise directing resources to a segregated black population” (389n1). Not only is the collectively efficacious manner of acting rooted in this community’s historically segregated space, as Venkatesh observes, it also creates the imagined space of the community—place. Actors must act in space, but their action creates and re-creates place. “Shady” therefore presupposes ascriptive and assertive blackness.

Compare this shady world with the one in which Ho travels in *Liquidated: An Ethnography of Wall Street*, itself deeply hidden from the light by intellectual-property law, “blackboxed” data, and esoteric computational algorithms. Few label what goes on there “shady.” When Wall Street does acquire such a label because of scandals and prosecutions, it owes to perceived isolated actions that depart from the norm or, in the case of massive economic crisis, come to submerge otherwise ostensibly legitimate activities. In contrast, even so-called legitimate activities in Bronzeville are shady. But the interrelationship between race-making and economic practices, the racialization of value, is not found solely in a milieu like Bronzeville. Rather, Ho observes it on the Street as well.

Based on their self-understandings, as reported in *Liquidated* and *Off the Books*, it would be reasonable to imagine any similarity between investment bankers, who are largely but not exclusively white, and the residents of Maquis Park, who are almost exclusively black, as stemming from their unmediated relationships with capitalism. Whereas the former sit atop the command-and-control functions of production by pulling the purse strings, the latter appear to have an unmediated relationship with the circulation of capital and its coercive effects because of a lack of intervening institutions. But neither Ho nor Venkatesh accepts such a formulation, and their work is aimed at undermining treatments of the economy as existing outside everyday, embodied practices. Whereas Ho attributes causal power to the culture and discursive constructions of investment banking in her explanation of Wall Street’s societal dominance, Venkatesh steers clear of purely cultural explanations, which have long been controversial in studies of the ghetto. Instead, pragmatism characterizes his informants’ decisions, which by necessity are made in a matrix of starkly limited options.

Ho argues that Wall Street bankers create the dominant sensibilities of the stock market, founded on the fetishistic exaltation of the managerial concept of “shareholder value,” which in turn disseminates throughout the world market. In a relatively simple sense, Wall Street acquires hegemony not only by convincing all corporations to adopt its mores, which has the effect of increasing its revenues, but also by instituting a system of coercion that extinguishes any

alternative mores, techniques, discourses, or protocols. This process is imagined as freeing the market.

Venkatesh shows that state retrenchment means that the only state institutions individuals experience are the welfare office, whose role is now circumscribed in comparison with that in the Fordist-Keynesian era, and, to be sure, the police. Even the police, however, are deeply integrated into economic exchanges, including by turning a blind eye to illegal activities in the street and drawing payments in various forms for doing so. The exigency of trying to survive in a realm bereft of external support and stable employment means that locally scaled support networks of kin, neighbors, and friends, as well as exploiters, scammers, and enforcers, have no choice but to act through exchange that itself troubles distinctions between licit and illicit or economic and noneconomic.

Unlike residents of Maquis Park, whom Venkatesh seemingly never observed interacting with white people, nonwhite investment bankers strive to avoid signaling a desire to interact with other nonwhite colleagues. Ho details how banks' corporate structures and systems of incentives are thoroughly racially marked. Beyond the fact, described in depth, that the banks recruit from a minuscule coterie of elite universities—Princeton, Harvard, Wharton Business School at Penn, and Stanford—investment banks are structurally bifurcated. There is the front office, where the bonuses and high salaries accrue, and there is the back office, where the job is just a job. Ho cannily demonstrates how the 9–5 schedule of the back-office support staff, the jobs' frequent location outside Manhattan, and even the sartorial and alimentary choices of these workers mark them as separate from the normatively white front-office realm. Bringing one's lunch from home, common among back-office workers, is verboten among bankers because it connotes financial frugality, but eating lunch away from one's desk, even though there are full-service cafeterias in house, signals willingness to spend time on something other than hard work, which is detrimental.

In the context of investment bankers' self-understanding, back-office workers, more likely to be women and people of color, may work hard, but only front-office workers “produce value.” The labor that occurs there, which may entail unthinkably long hours and travel around the globe to present PowerPoint slides full of self-professed “bullshit” (105), adheres to a peculiarly whitened labor theory of value. The racialization inherent in this labor, therefore, may be disavowed as the money meritocracy, whereby bankers believe “the only color Wall Street sees is green” (107). Like a cucumber, the money meritocracy is green on the outside and white on the inside.

Hard work is the sine qua non of normative whiteness and achievement in the world of investment banking. Fear that another similarly placed colleague will be seen as working harder or for longer hours causes an endless spiral of coercive one-upmanship (one that is gendered and macho, to be sure). A Harvard graduate describes the entry-level analyst job fondly, but he notes that “it is akin to slavery and it will break you” (88). One does not want to read too much into a tossed-off comment such as this one, but it is worth underscoring how slavery in this formulation is a form of labor one willingly chooses and, moreover, that it becomes normatively associated with whiteness and the (freely laboring) production of value. Laziness, in contrast, is attached to “self-serving” behavior that leads to undeserved compensation, thought to be akin to welfare. Hard work, as well as stringent discipline and ostracism for even slight errors, coproduce the set of cultural mores that leads to the notion that racism or sexism are impediments to the idealized, frictionless circulation of capital where the only exigency is its expansion, even as the justifications draw on a long and robust historical vocabulary of racial demarcation, of race-making.

Ho’s nonwhite informants describe a social world where white elites display discomfort when confronted with markers of difference. On the whole, however, nonwhite people respond by acceding and conforming to the expectations of whiteness. They think of themselves not as not performing whiteness and avoiding the risks associated with blackness but as leveraging their own talent and intelligence, embodying the market. The paradox of the *collectively efficacious* affirmative whiteness in which the investment bankers invest is that it does not confer security. What is more, frequent layoffs, downsizings, and mergers and acquisitions (M&As), all of which Wall Street either forces on corporations or corporations anticipatorily undertake, are taken as naturalized expressions of the diktats of the market—this is the ideology of shareholder value. The hard work one performs for the firm’s benefit is rewarded with large paychecks and bonuses, but the firms do not reciprocate with loyalty to their value-creating employees.

Through Ho’s discussion of job insecurity, further unexpected parallels between Wall Street and Maquis Park emerge. Actors in both worlds believe the self-cannibalizing character of their respective economies to result from external forces. Residents of Maquis Park accurately presume that white supremacy introduces and maintains horizons for social action. The baleful traditions of dead generations kill living generations, both slowly and quickly: “In everyday life, it is possible to see how the past shapes contemporary behavior—and why this past differentiates the ghetto’s underground economy from that of other communities” (375). As such, even the local commercial organization, Maquis

Park Development Board, finds reliance on its community to be shaky, but it also has difficulty relying on external sources of secure income. “Bankruptcy and insolvency are frequent in Maquis Park, not because people are bad businesspersons, which they may be, but because actors have limited political and economic capital—both legitimate and underground. Their white counterparts have clandestine connections that are useful in times of distress and that can be parlayed into formal business growth” (148–49). Thus resorting to a loan shark for credit or enrolling a local violent kingpin to keep vagrants away are frequently the only options that present themselves for trying to secure stability. That short-term stability, of course, comes at the expense of the businessperson seeking it and of the broader community, which unawares faces the rippling consequences.

Ho’s informants above all exemplify the clandestine connections Venkatesh’s informants might assume them to have. Many bankers, including Ho herself as a recent Wall Street hire while on leave from graduate school, face frequent layoffs. The ax becomes less shocking once bankers realize they can draw on the very social networks that positioned them to get the jobs in the first place. The permanent threat of unemployment looms as surely in Maquis Park as on Wall Street, with Ho characterizing the employment trend she sees as “hypercasualization.” A signal achievement of her book is that it enables us to see how such a term accurately describes the labor not only of the poorest but of the richest as well. Bankers’ lives are themselves liquid, indicating not only their compensation regimes but also the here-today-gone-tomorrow, quicksilver habitus bankers adopt, a signifier of value creation mediated by the bankers’ performance of whiteness.<sup>4</sup>

With the emergence of a global economic crisis as her work wrapped up, Ho argues that Wall Street’s “rise to dominance” with the breakup of Fordism-Keynesianism “has allowed it to project a local model of employee liquidity and financial instability” globally, on nonfinancial corporations and financial markets, leading to “globalizing economic crises” (296). One tool of this projection is a discourse of global prowess (“world-class talent”) and global reach—“We act as a global problem solver for our clients, moving ideas and insights seamlessly across time and space”—that subtends Wall Street’s self-representation (302). Ho says that on commencing her research, she fretted about Wall Street’s routinely emphasized “global” reach because she feared the consequences for the world. But soon she came to understand that this rhetoric was incomplete and even desperate, a hype-laden dramatization of hegemony rather than a practice of it. One informant tells her that his bank’s mission is to enable vast rewards for clients whether they are in the United



States or beyond it. He says, “We can talk to them about M&A in Sri Lanka. We can talk to them about M&A in Kuwait” (308). Yet, according to Ho, the investment banks actually are not active in those locations because they do not offer sites of stable investment. These countries stand as orientalist talismans of Wall Street’s power: the banker is disavowing the failure of Wall Street to achieve global dominance by saying that it *could* be dominant even in such out-of-the-way, exotic locales as Kuwait and Sri Lanka.<sup>5</sup> The rhetoric of the global conceals how selective Wall Street’s map of the earth really is. To this selectivity, we can add the failure of Ho’s exuberant capitalists to expand liquidity, to extend credit, in Bronzeville, which Venkatesh documents, and we would also need, then, to account for the switch that occurred late in her research, whereby formerly redlined neighborhoods were greenlined—became fertile fields for the subprime-securitization combine.

Ho thus documents the failures, contradictions, and gaps in the performance of global prowess. But how can it be that Wall Streeters never quite achieve the dominance they so fetishize, never quite manage to get the rest of the world to adopt their worldviews-in-action, yet we can nonetheless find an eerily similar liquid habitus among Venkatesh’s informants? It is not the case that either author has missed some concrete link between the two worlds, a subterranean channel for the transmission of models of behavior. But their findings may be conditioned by their methodology. Although a theory of the embeddedness of economic action in cultural frameworks and discourses is a welcome respite from neoclassical perspectives that treat moralistic and legalistic binaries as objective observations and imagine actors as ahistorical and acultural, in these works, this theory bleeds into the methodology and then into the findings. From these authors’ work, we obtain access to the texture of the everyday lives of people in milieus that frequently present obstacles to close scholarly observation. Where the grandiloquence of political economy from a bird’s-eye view fails to detail how lives are lived and what everyday mediations characterize imbalanced relations of power, these authors instead offer the tactile immediacy of ethnography. But does the perspective of cultural embeddedness actually make it more difficult for us to draw connections across social worlds because of its own static quality? The sense emerges that embeddedness means boundedness, which offers an easy causal explanation at highly local scales. M&As, certainly responsible for the evisceration of many stable Fordist firms, cannot, however, stand in for all the changes associated with financialization. Ho’s focus on this ostensibly concrete practice sidesteps the quantitatively far larger and qualitatively more abstract trade in derivatives, based largely on bundled debt, of the period. Even if not boundedness but unstable porosity,

and a simultaneous movement toward and mechanism of disembeddedness, characterizes the circulation of value in the era of financialization—a notion about which Ho is unconvinced—her reliance on the discourse of money meritocracy and the ideology of shareholder value to explain this era leaves difficult questions unanswered.

In response to bankers' espousal of the abstract power of finance, an allergy to abstraction itself structures Ho's narrative, leaving the reader with the sense that although racism endures, its logic does not levitate dramatically beyond everyday, locally embedded discourses and mores. If stability in Bronzeville is felt as impermanent, Venkatesh's informants are nonetheless aware that race and racism engender long-term stability unto themselves. With the realization, however, that the structures of feeling these authors observe are not only contemporaneous but homologous, the onus is now on other scholars to explain why this finding may be so, to explain anew the persistent, multiscalar, and polyvalent articulation between white supremacy and capitalism, between the production of race and the accumulation of capital. In an era when so much profit has derived from ethereal exchange, race and racism have nevertheless maintained their materiality. But race is not only lived in the everyday—for race can no longer be theorized as ahistorically corporeal—it also structures the imaginative possibilities, the technics and tools, of economics and politics on a world scale, of the prediction and production of value. Though method matters, my conclusion is thus not about method alone. If racial domination persists only through locally scaled and embedded practices, a parsimonious political program offers potential solutions. If value and race conjoin in contextually specific but more thoroughgoing ways, a politics that treats the similarities I have discussed as more than mere coincidence—it cannot simply be coincidence, can it?—will look dramatically different. It may be in a pickle, but will capital remain a cucumber?

#### Notes

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1. Although these books were published three years apart, the ethnographies that formed the basis of each were conducted at approximately the same time, both beginning around 1996.

2. “Ghetto” is a term Venkatesh and his informants use to describe the neighborhood. Although I follow his usage of the term, as Loïc Wacquant explains, the term may raise questions sufficient to undermine its analytic utility. In his ethnography of Bronzeville, Wacquant describes the “ghetto” as having transformed from the “communal ghetto” of the mid-twentieth century to the “hyperghetto” by the time he and, subsequently, Venkatesh conducted their research. Loïc J. D. Wacquant, *Urban Outcasts: A Comparative Sociology of Advanced Marginality* (Malden, Mass.: Polity, 2008).
3. See, for example, William Kornblum, “Off the Mark,” *Qualitative Sociology* 31.2 (2008): 195–97; Sudhir Venkatesh, “Reply to Critics,” *Qualitative Sociology* 31.2 (2008): 199–202. In his reply to Kornblum, Venkatesh identifies his impetus as connected to the limited understanding of “inner city dynamics” resulting from the “largely impoverished modes of social scientific narratives that are in play.” My inclination is to ask, as Venkatesh does not, whether causality lies between impoverished social science and material impoverishment in the social formations it purports to describe.
4. Ho adopts the French sociologist Pierre Bourdieu’s term *habitus*, which conceptualizes a system of structured and structuring, enduring and transposable, dispositions that functions as a matrix of perceptions, appreciations, and actions. Habitus enables what Bourdieu calls regulated improvisation, but the theory accounts for the reproduction of habitus more than for the possibility of its fundamental transformation. Pierre Bourdieu, *Outline of a Theory of Practice*, trans. Richard Nice (Cambridge: Cambridge University Press, 1977).
5. Notably, Sri Lanka was one of the first countries to undergo structural adjustment, in the late 1970s. Therefore its unsuitability to Wall Street investment in the early 2000s is tied to the political destabilization wrought by the projects meant to make it amenable to such investment.