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Cross-border investment in Shanghai. Contribution to a global political sociology of money

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Institut d'études politiques de Paris

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1. Chronological synthesis

1.1 Studies, sites and professional experience

I started my journey in the social sciences as a student in the preparatory classes “Hypokhâgne B/L” in Paris in 1993 and then in the undergraduate program of the Institut d’Etudes Politiques de Paris, Sciences Po, where I graduated with a specialization in the section “Research and Teaching” (“Recherche et enseignement”). Study at Sciences Po was multidisciplinary, with courses in political philosophy, economics, history and journalism, among others. I also had the chance to spend three months as an exchange student in Cape Town, South Africa, in 1996, where I took courses in political science, feminist theory and political economy. This short stay in South Africa proved extremely rich intellectually, as it allowed me to connect my experience growing up in Argentina to the political history of South Africa during the Cold War, giving me a sense that local histories were also part of global interdependences and that research agendas could be different in different parts of the world.

Initially interested in economics, which I saw as a discipline that would help me study social inequalities, I was progressively disenchanted by what I perceived as its exaggeratedly abstract character. This led me to do a Diplôme d’Etudes Approfondies (DEA, equivalent to an MA) in economic anthropology at the Ecole de hautes études en sciences sociales (EHESS), under the direction of Michèle de La Pradelle, who specialized, among others, in urban anthropology and the study of street markets. I did research on a street market in Paris, the Marché d’Aligre, where I studied the relation between exchange, consumption, and imaginaries of identity, belonging and authenticity. I completed that degree in 1998.

Studying at the EHESS gave me the chance to attend courses in many disciplines, including history, philosophy and urban sociology. The intellectual atmosphere at the EHESS fostered curiosity, creativity and interdisciplinarity. It enhanced my feeling that further studies in philosophy would strengthen my

capacity to understand the theories in the social sciences. In 2000, I enrolled at the same time in the PhD program in anthropology at the EHESS, in Paris, and in an MA in Philosophy at the New School for Social Research, in New York. I took all the coursework in philosophy in 2000-2001, and then did the initial part of my fieldwork for the PhD in anthropology as a non-paid intern in a brokerage company in New York. After that, I went to Paris, where I did fieldwork in two other financial companies, a small consultancy in hedge funds and a major asset management company, in 2003 and 2004. I then took time to finish writing the thesis for the MA in Philosophy, where I analyzed the relation between Nietzsche's philosophy and Max Weber's tragic ethics of social science. This training helped me think reflexively about my own analytic framework and, more generally, develop a critical reading of theories in the social sciences. I defended the MA in Philosophy at the New School for Social Research, in New York, at the end of 2005, and the PhD in anthropology at the EHESS, in Paris, in 2008. Tragically, Michèle de La Pradelle passed away in 2004. I finished the degree under the supervision of Marc Abélès, who generously helped all her students complete the program. Between 2003 and 2010, I attended regularly the monthly meetings of the interdisciplinary seminar coordinated by PhD students studying finance organized around the Social Studies of Finance Association. This consolidated my interdisciplinary approach to the study of finance within a network of scholars that later contributed to my integration in the field of economic sociology in France.

Little before defending the PhD, in the fall of 2008, I started taking the courses of the two-year program to obtain the professional diploma of Certified International Investment Analyst. The aim of doing this was to obtain a certification that would allow me to continue doing participant observation in the financial industry without being an intern, since my age excluded that. I also had the chance to give BA-level courses in "International Finance" for visiting US-based students at the IES Abroad program in Paris, in 2008 and 2009. In February 2010, I moved to Shanghai, where I passed the last exam to obtain the CIIA, enrolled in Chinese-language courses and started teaching a course on "Asian Financial Markets" at a French business school hosting students coming from France for a semester. That year, I obtained the certification of the Centre National des Universités to teach in the disciplines of anthropology, sociology and business administration. This allowed me to find more courses to teach in French business schools in Shanghai,

which I did between 2010 and 2014. I initially conceived teaching finance in business schools as a way to access fieldwork in the financial industry with a status of expert or consultant. This indeed helped me to gain access in the company where I did participant observation in 2015-2016. But teaching in business schools also became a form of fieldwork, as part of my post-doctoral research.

Between 2011 and 2014, I was a post-doctoral researcher at Mines ParisTech, as part of an ERC program directed by Fabian Muniesa. During those three years, I stayed in Shanghai, continued taking Chinese-language classes 3 hours a day and conducted research in cross-border investment in venture capital, private equity and mergers and acquisitions (M&A), mainly through interviews. I also did research on a business school, through a partnership that allowed me to do participant observation as teacher and conduct a survey through questionnaires and with a focus group.

In 2014, I joined as associate professor the Research Institute of Anthropology at the East China Normal University, in Shanghai. I continued doing research on cross-border investment through interviews and with participant observation in a consultancy firm in M&A between 2015 and 2016.

In 2016, after finishing that research in M&A I joined the Centre National de la Recherche Scientifique as researcher (“Chargé de recherche”) in the Section 36, Sociology and Law. I initially joined the Paris-based research unit IRISSO, where I collaborated with many colleagues specializing in the sociology of finance, especially in the research group “Political Sociology of the Economy”. I still collaborate with publication projects in that research unit. Since September 2021, I joined the research unit based in Hong Kong, the Centre d’études français sur la Chine contemporaine (CEFC) where, among other things, I am one of the core members of the editorial committee of its international journal, *China Perspectives*. Since 2016, I started observing the digitalization of everyday life, and of money in particular, in China. It is with this research agenda that, in 2019-2020, I joined the Institute for Advance Studies, Princeton, as a member of the School of Social Science. I then went back to China, where I had the chance to continue observing digitalization in the particular context of anti-covid regulations. This research is still ongoing.

1.2 Research sites and objects

The thematic synthesis presented here is based on empirical and theoretical research conducted in different sites since 2002:

In 2002, I did five months of participant observation as assistant financial analyst in a brokerage company in New York. This company was the subsidiary of an established brokerage company in France. The New York subsidiary had 25 employees and sold financial analysis about companies listed in Euronext to investment funds based in the US. A small team of six people in the company sold information about US companies to investment funds based in France.

In 2003, I did four months of participant observation as analyst in a small team of four consultants in hedge funds in Paris. They had developed a hedge fund investment strategy within a large French bank, using quantitative methods to invest in stock exchanges in Europe, the US and Japan. They then left the bank and, when I joined, they engaged in interviews and exchanges with other large banks and investment funds in Paris and London, looking for new sources of funding. I followed them in this process, which allowed me to observe many actors in the sector of so-called “alternative investments”.

In 2004, I did four months of participant observation as assistant financial analyst in a group of seven people investing in US-based asset-backed securities (ABS) for one of the largest French asset management companies. I was able to observe them purchase ABS and sell them repackaged as collateralized debt obligations (CDOs) to investment funds and banks in Europe. This also allowed me to conduct interviews with the top management of the company and fund managers and financial analysts within the company, who specialized in bonds, stocks and asset allocation, among others.

Between 2008 and 2010 I attended the courses and passed the exams to obtain the diploma of Certified International Investment Analyst. I passed most exams in France, and the last ones in Shanghai. Although I did not use the observations in this program as fieldwork, since I did not have their agreement to do so, my learning in that program consolidated what I had learnt during my previous research about valuation and investment methods for all available assets, and the major legal requirements and business models in the financial industry.

Between 2008 and 2014 I taught finance to university students. Between 2010 and 2014, in particular, I taught in business schools in and around Shanghai, to MA students coming from China and abroad. As part of the post-doctoral program at Mines ParisTech, I conducted research in a business school through a partnership with them.

Between 2011 and 2016, I did research on cross-border investment in China. I conducted 50 interviews in Beijing, Shanghai and Hong Kong. I also did participant observation with a firm offering consultancy services in mergers and acquisitions. I observed them mainly in Shanghai, with a short observation in their headquarters in Western Europe.

Since 2016, I started doing documentary research and preliminary interviews and observations in different sectors concerning the digitalization of money in China. This research is ongoing.

Finally, this has been accompanied by a smaller research thread concerning reflexivity in the social sciences. Although I have published very little in this respect, this intellectual activity has been important for my empirical research and theoretical explorations.

The following thematic synthesis of my research journey presents the results of the research and theoretical explorations I did in the last 20 years. These results revolve around the project of a political sociology of money and finance, focusing on empirical concerns with the workings of the financial industry and theoretical concerns with the study of money and finance from a global perspective on power relations. In line with the usual format for Volume 1, I will mainly quote my own work. A detailed discussion of the literature is presented in Volume 2 and in my publications.

2. Thematic synthesis

The title of my PhD dissertation was *A political anthropology of finance: valuation, investment, innovation (Une anthropologie politique de la finance: évaluer, investir, innover)*. Since the start of my scientific journey, the core of my research has been to connect the everyday practices observable in the financial industry to their role in the production of social hierarchies in the global space of its operations. Alongside this empirical research, I have also developed theoretical reflections on the study of money and the financial industry.

The following sections organize thematically the results of this research journey. The first section concerns the empirical findings of my research. I present first the results of my research in the financial industry in New York, Paris and Shanghai, including my research in business schools. These studies focus on the analysis of the role of valuation and investment methods in monetary distribution, the importance of organizational issues in that process, and the connection between qualitative analyses and global hierarchies. I then present preliminary results of my ongoing research on digital payments in China. The second section presents my analytic and theoretical contributions to the sociology of money and finance, briefly clarifying their connection to pragmatism and my concern with the study of power relations from a global perspective

2.1 A political sociology of finance

In this section, I present the results of my analysis of how the everyday practices in the financial industry contribute to producing global hierarchies. I start by showing the importance of financial imaginaries articulated in financial methods of valuation and investment, including various understandings of the concepts of market, investor, value, risk and crisis to which employees give technical, moral and political meanings. I then present the organizational setting for the application of these methods, showing how they are used in relations of competition, hierarchy and collaboration, within and between companies. Thirdly, I focus on the connection of these everyday practices and global social hierarchies produced by

monetary distribution in the financial industry. I finish the section presenting my study on digital payments, which extends but also goes beyond my previous research.

2.1.1 Financial imaginaries

Part of my research analyzes the role of procedural and standardized methods of valuation and investment that financial professionals used in their everyday practice for the production of social hierarchies. The general theoretical framework for these methods comes from financial economics, itself situated within a general conceptual framework of neoclassical economics that mobilizes, among others, philosophical principles of liberalism. Financial methods of valuation and investment are explicitly designed as the deed of a maximizing investor that gauges the value of investment objects to maximize returns and minimize risks. This figure is conceived as exchanging in markets where informational efficiency means that prices reflect all available information about investment objects, so that they serve as signals for a socially optimal allocation of resources. Several studies have analyzed the history of this framework. My research shows that it is pervasive in textbooks, discourses in classrooms and in everyday interactions in the financial industry, where professionals use it to make sense of their own practice, with meanings that can refer to the registers of the technical (an accurate application of the methods), the moral (the duty to apply them correctly) and the political (the benefits of market efficiency for society) (*Politix* 2011, *American Anthropologist* 2014, *Everyday Practice of Valuation and Investment* 2021¹). I have used the concept of “imaginaries” in a way that is very similar to how Jane Guyer² uses the concept of “repertoires” of monetary practice, which designates regularities of practice that concern the actions performed by financial employees and the meanings they attribute to them. I have applied this approach to central concepts used by employees in everyday practice, which are also fundamental in the

¹ The book I published in English in 2021 at Columbia University Press is a very revised and amended translation of the book I published in 2014 in French at Presses de Sciences Po. I only quote here the updated version in English.

² Guyer, J. I., 2004, *Marginal Gains. Monetary Transactions in Atlantic Africa*, The University of Chicago Press, Chicago.

articulation of financial regulation and in political discourses concerning the legitimacy of the role of the financial industry in monetary distribution. I focus, in particular, on the concepts of investor, market, value, crisis and risk³.

The concept of investor that professionals use in their practice has several meanings. The concept is formalized in financial methods of valuation and investment, where it is the sole gaze supposed to conduct the operations, gauging the value of investments with the aim of maximizing returns and minimizing risks. My research shows how financial analysts, fund managers, brokers and investment consultants mobilize this figure to talk about their personal professional practice. Thereby they enact this figure as the official rationale for their valuation and investment procedures. But the figure of the investor is thus not embodied in a single person who could be identified as carrying it out. It is on the contrary distributed in all the operations of financial professionals, so that its rationale is everywhere but there is never a single person who could be solely responsible for its acts (*Sociétés Contemporaines* 2013, *American Anthropologist* 2014, *Everyday Practice of Valuation and Investment* 2021).

I also show the importance of the concept of market and in particular its conceptualization in terms of informational efficiency. This concept plays several roles. Most valuation and investment procedures are oriented at establishing the value of assets with the idea that this value will be reflected in prices according to the concept of market efficiency. This is fundamental, for instance, in the use of the so-called “Modern Portfolio Theory”, itself explicitly based on this concept, for investment diversification in investment funds and in the allocation of money by large asset management corporations. The notion of market efficiency also justifies the use of market prices as sources of information to be included in valuation and investment formulas and calculations. Finally, employees tend to use the word

³ In the 2000s, the research program of the performativity of economics, conducted in particular by Michel Callon, gained some traction in economic sociology, claiming that economic models and methods tended to shape social reality to look like them. I will not address here the many critiques that have already been produced about this research agenda. My research was never close to this program for two main reasons. The first one is that, contrary to the idea of performativity, my observation highlights that the distributive effects of the application of financial methods is extremely distant from the political utopia of its liberal underpinnings. The second is that I focused on the technical, moral and political meaning of these methods, instead of neutralizing their moral and political character by situating them in the field of economics as a scientific discipline. Callon reasserted his position in his replies to some of these critiques, see for instance Callon, M., 2010, “Performativity, Misfires and Politics”, *Journal of Cultural Economy*, 3(2), 163-169 (Hart and Ortiz *Annual Review of Anthropology* 2014 and *Everyday Practice of Valuation and Investment* 2021).

“market” to refer to their professional space, which can be the sector of the financial industry where they work (stocks, bonds, derivatives, and sub-sectors within them) or the financial industry as a whole. I have shown how employees mobilize the political meaning of this concept in these different instances, for instance when assessing whether a prize accurately reflects the supposedly true value of an asset or when referring to the social roles of the financial industry, considering it as the place where market efficiency is, or could be, realized (*American Anthropologist* 2014, book chapter on “Hedge funds and the limits of market efficiency” 2015, *Everyday Practice of Valuation and Investment* 2021, *Valuation Studies* 2021).

Financial professionals carry out valuation and investment mobilizing these notions of investor and market to define financial value in three different, partly contradictory and partly interdependent ways. In so-called “fundamental” valuation, calculation assesses the future cash flows of an investment and discounts them a discount rate supposed to represent the required cost of capital. This “present” value of future cash flows is conceptualized as the “true” value of financial assets. It establishes a direct relation between the figure of the investor and the object of investment of which it is an owner. In so-called “relative” valuation, the investment object is compared to other objects with which it is supposed to share characteristics that are central for the definition of fundamental value, such as those defined by accounting categories and the ratios derived from them. The price of the asset is determined in relation to the market price of the other assets, so that the relation between the figure of the investor and the object of investment is mediated by the institution of the market. In these two forms of valuation, market efficiency plays a central role. In fundamental valuation, the “true” value obtained by valuation is compared to the current price and, in case the two are different, the assessment addresses whether the valuation is accurate or the market is currently inefficient. The purchase or sale of the asset will be made considering that the market will “correct” itself in the future, so that the asset should be bought if the current price is below the price obtained in the valuation – or sold in the opposite scenario. In relative valuation, comparison is based on the idea that prices of other assets are meaningful data because, thanks to market efficiency, they reflect all available information about those assets. Informational efficiency is only questioned for the asset under valuation and, just like for fundamental valuation, in case of discrepancy between the valuation and comparable prices, the discussion will

consider the accuracy of valuation and the efficiency of the market. A third method of valuation, “speculative”, rejects the representative character of prices posited in the theory of market efficiency, and considers instead that prices are the result of the opinions of market participants. Using a great variety of methods, this approach considers that the object of analysis is constituted by these opinions, and not by some intrinsic characteristics of the object of investment or of the prices produced by the efficient market where comparable assets are traded. Yet, for many of the professionals I observed, assessing the opinion of other financial professionals in speculative valuation included understanding their views concerning assets’ fundamental and relative value, so that these forms of valuations were still present (*HAU: Journal of Ethnographic Theory* 2013; *L’année sociologique* 2013; *Everyday Practice of Valuation and Investment* 2021)

Professionals also mobilize the term risk, giving it multiple meanings, to make sense of and organize their practices of valuation and investment. They use the term to address vaguely the possibility that an investment leads to losses due to default or adverse price variations. But they also use it to talk about the standard deviation of returns or of price variations, usually called their “volatility”. In this case, “risk” is a mathematical construct that tends to be applied to prices, i.e. to data whose meaningfulness is based on the concept of market efficiency. In this shape, the concept of risk is pervasive in mathematical formulas of valuation and investment. The concept also appears in the concept of “risk-free” assets, usually applied to the bonds issued by a few powerful states. Here the concept implies that these states will not default on their debts, because they consider that creditors should have priority over the rest of the polity in the allocation of money and because they are powerful enough to impose this hierarchy on the rest of society. Any asset considered riskier than these bonds is expected to pay higher returns than them, otherwise it is simply excluded from the “investment universe”. The return differential is then called the “risk-premium”. This “risk” of the risk-premium is sometimes assessed statistically, sometimes gauged narratively in terms “political risk”, “reputational risk” and an indefinite list of other “risks”, and sometimes through an ad hoc combination of these various definitions. The “risk-premium” is usually assessed, and asserted, by observing price or interest rate differences. This gives the “risk-free” bonds of powerful states the role of the standard of value for all the other assets dealt with in the financial industry. In this process, the figure of

the investor is supposed to require of these states that they use their power to guarantee its returns against the rest of the polity and at a rate defined by the efficient markets (*Politix* 2011, *Everyday Practice of Valuation and Investment* 2021, *Valuation Studies* 2021, book chapter on “Risk and finance” 2023).

It is within this frame that the professionals I observed used the term of “financial crisis”. I observed professionals talking about crisis to refer to the rise and fall of stock prices of Internet-related companies in the late 1990s and early 2000s and to the defaults in credit derivatives in the US and their effects in the banking sector. In both cases, professionals referred to the idea that these price variations were deviations from the “true” value of assets due to inaccurate valuation and wrongly informed investment. The concepts of “bubble” and “crash” refer to this idea of a normal, or accurate, pricing that would be the result of market efficiency. These understandings can also be found in the regulatory reactions to these events, which addressed them as mistakes in valuation due to organizational or cognitive faults in the financial industry, and that tended to consider the “crisis” was over once prices revolved around longer-term averages and the financial industry remained profitable (book chapter “Anthropology – of the financial crisis”, 2012, *American Anthropologist* 2014, book chapter “What financial crisis?” 2015, *Everyday Practice of Valuation and Investment* 2021).

My research shows that these concepts, methods and lines of reasoning are applied to all sorts of assets. I observed directly professionals applying them to listed and non-listed companies, corporate and sovereign bonds, credit derivatives and in less conventional investment methods in a hedge fund (cf. my publications mentioned above and the work presented in Volume 2). I also observed this systematic conceptual framework in my analysis of the manuals produced by the two most influential professional associations of financial analysis and investment, the Chartered Financial Analysts Association and the Association of Certified International Investment Analysts, whose diploma I obtained in 2010 (see in particular *Everyday Practice of Valuation and Investment* 2021, *Valuation Studies* 2021). Finally, I also observed it in the content of what I had to teach when doing participant observation as lecturer in business schools, in courses such as “Corporate finance”, focusing on stocks and bonds, International finance, focusing on bonds and foreign exchange derivatives and Country risk, focusing on sovereign bonds (*Journal of Cultural Economy* 2018).

Fundamental, relative and speculative valuation and the investment strategies related to them tend to be methodologically interdependent. Calculation for fundamental valuation uses current prices as meaningful data and mobilizes relative valuation using the concepts of risk-free and risk-premium based on statistical treatment of past prices and returns in a way that presupposes market efficiency. Relative valuation uses the rationale of fundamental valuation to compare assets. Both methods use prices as data, presupposing market efficiency, but also accepting the fact that prices change all the time in a way that makes them seem the result of speculation. And both methods expect to gain from market “corrections” in the future, through price movements that are narratively anchored in market efficiency but also expect to move in the short term of speculative valuation. Finally, as I mentioned above, many forms of speculative valuation consider fundamental and relative valuation as shaping the opinions that make prices move. These different approaches also mobilize different relations between the investor and the market and different presuppositions about market efficiency, its realization in a particular moment or its possibility at all. One of the most salient and pervasive cases of contradictory use of these approaches concerns the most widespread investment method, consisting in diversifying investment according to the idea that the market is efficient and must thus be replicated and, at the same time, attempt to “beat the market”, but giving more or less weight in the portfolio to assets expected to gain or lose more than the rest, a speculative strategy that negates market efficiency. These different positions contain moral and political meanings, opposing a majority of professionals who claim to uphold the social utility of market efficiency to a minority, still considered professionally legitimate, who negates it (*American Anthropologist* 2014, *Everyday Practice of Valuation and Investment* 2021, *Valuation Studies* 2021)

In textbooks and teaching material, the conceptual framework used in the elaboration of the methods of valuation and investment refers systematically to the political and moral meanings of the concept of investor and market. At the same time, as I showed above, this conceptual framework contains tensions, contradictions and fragmentations. My research in different professional settings shows how professionals tend to focus on particular aspects of this methodological corpus. Studying stockbrokers, for instance, I could observe how financial analysts tended to foreground the legitimacy of fundamental valuation, traders that of

speculative valuation, while salespeople and fund managers using Modern Portfolio Theory tended to maintain an official respect for the political meaning of market efficiency, but combined speculation, comparison and fundamental valuation in their everyday practice. These combinations, with their tensions and contradictions, can only be understood as part of the organizational relations among employees within and between companies.

2.1.2 The organizational setting of valuation and investment

Valuation and investment methods systematically put forward the figure of the investor against all other sectors of the polity, demanding that states guarantee a minimum of returns (except in the rare cases of negative rates) and projecting that social activities will be transformed in order to prioritize returns for the owners of financial securities. Studies in financialization show the importance of these rationales in the effective transformation of social activities that come into contact with financial investment. These studies show how this affects social hierarchies within the companies, states and other social activities where imaginaries about the figure of the investor and the truth supposed to be reflected in prices according to market efficiency are used to distribute resources and increase inequalities. My analysis shows that these distributive hierarchies outside the financial industry result from partly contradictory and fragmented uses of standardized methods in relations of hierarchy, collaboration and competition among employees within and between companies.

In all the professional settings I observed, professionals tended to mobilize the technical, moral and political meanings of the different methods of valuation and investment to legitimize their professional positions within and between companies. In these relations, they vied for salaries, bonuses, higher-ranked jobs and forms of prestige linked, for instance, to the amount of money they managed or the size and renown of their clients and commercial partners. Within companies, employees had to collaborate in investment teams, the production of financial analysis sold to clients and, more generally, a supposed general aim to make their employer thrive. At the same time, they could compete for higher-ranked positions, to capture rents related to certain clients or sectors of investment, and for salaries

and bonuses within the same team. In these processes, an important form of argument concerned claiming that they enacted the figure of the investor more accurately than competitors and that their practice comes the closest to the presuppositions about market efficiency implied in their procedures. This happened within companies and between companies, as employees circulate and take jobs with competitors or clients and commercial partners. This also concerned relations between companies, since, in marketing materials, different companies may claim to uphold the methods of valuation and investment better than their competitors. Thus, the technical, moral and political aspects of the methods of valuation and investment are fundamental for the articulation of the social relations that make up the financial industry, where hierarchy, collaboration and competition are inseparable (*L'année sociologique* 2013, *Sociétés Contemporaines* 2013, *Anthropological Theory* 2021, *Everyday Practice of Valuation and Investment* 2021)

My study in business schools focused on “middle tier” schools, ranked below the top schools but attracting students that hoped to become middle managers in global corporations. These students integrated a social hierarchy predicated on the superiority of finance over other disciplines in the business schools. They considered that their impossibility to enter the top business schools was due to their lack of proficiency in finance and that this explained and justified why, in their future jobs, the people above them in the corporate hierarchy would be graduates from better-ranked schools who would prioritize financial modes of reasoning and acting. The study we conducted with Fabian Muniesa showed most of the students in our sample expressed a moral and political concern with climate change, but considered at the same time that financial rationales, which they saw as disconnected from this concern, were those that needed to be applied within corporations. Thus, these students reproduced the legitimacy of financial methods of valuation and investment that predicated the priority given to investors' returns and the legitimacy of market prices as a way to prioritize monetary distribution. They did so by situating themselves, and the political concerns they considered closer to their own, below financial rationales and those who could master them, something they related directly to the “middle-tier” position occupied by the business schools where they had managed to be enrolled. This study thus contributes to understand how proficiency in valuation and investment methods is a strong marker that contributes to organize and legitimize the use of these methods

outside the financial industry, with the consequences, established by other studies, in terms of inequalities (*Journal of Cultural Economy* 2018).

2.1.3 The everyday practice of global financial relations

My research has been concerned since the outset with the global character of the financial industry and of the social hierarchies it contributes to produce. The multi-sited character of my fieldwork and this analytic concern have yielded two main results in this respect. First, I have been able to document the standardized character of valuation and investment methods and of many organizational rules of the financial industry across multiple sites around the globe (New York, Paris and Shanghai) and across different types of companies (large investment funds, stockbrokers, hedge funds, venture capital, private equity and mergers and acquisitions) operating in different sectors of activity (bonds, stocks, derivatives and non-listed companies). This has led me to consider the financial industry as a global organizational space defined by the contractual relations linking companies to each other and the standardized character of its procedures. Second, my analysis of the concrete allocation of money by the financial professionals I observed allowed me to see the various ways in which they conceptualized the whole world as a space of operations, especially by considering financial assets available in stock exchanges and over-the-counter exchange networks as a series of comparable markets or, in the case of large companies, as constituting one single market, to which the usual procedures of valuation and investment could be applied. This allowed me to see how definitions of value, risk, market efficiency and investor are instrumental for the global distribution of money by the financial industry, which tends to reproduce global hierarchies that concentrate money in rich areas and activities, but which also accompanies and reinforces the transformation of these hierarchies, for instance with the inclusion of Chinese stocks and bonds in the “investment universe”.

The research I conducted during the PhD looked at these processes from within this organizational space. I designed my research on cross-border investment in Shanghai with the aim of observing how these standardized practices are co-constituted with social relations that happen outside the financial industry. Since I

present that research in the second volume of this dossier, I will only mention it briefly here. This research allowed me to see how financial professionals working in venture capital, private equity and mergers and acquisitions mobilized the same methods of valuation and investment I observed elsewhere in the financial industry. I could observe how they combined these financial imaginaries with understandings of the state, the economy and cultural and national identities that were predicated partly in terms of geopolitical confrontations between “China” and “the West”, “the US and Europe” or “the rest of the world”. Doing so, they mobilized contested and shifting understandings about the roles of the state and the financial industry in monetary distribution, in a way that sometimes went counter the political imaginaries that foreground the distributive role of market efficiency. Thus, the distributive effects of these practices resulted from the combination of the financial imaginaries described above with these other imaginaries, in a way that makes them co-constitutive without homogenizing or erasing their tensions and contradictions. This allows for conceptualizing one of the ways in which the practices of the financial industry are present in various social settings organized around different relations of power, with which the financial industry is co-constituted, so that it contributes to reproduce these other power relations, even in cases where they limit part of the distributive power of the financial industry itself.

2.1.4 Digital payments

Since 2016, I started observing the development of digital payments in China. Living in Shanghai since 2010, I was able to observe the fast adoption of smartphones, social media apps and then payment apps in the first half of that decade. This research is still ongoing. Most of it has so far consisted in documentary research, observations of everyday life, targeted exploratory interviews and preliminary observations and interactions with top managers and company owners in the digital sector. I have benefited from feedback in conferences and workshops where I presented some of my temporary findings. I also focused the year where I was a member of the School of Social Science of the Institute for Advanced Study (IAS), in Princeton, to this project. In what follows, I present the main findings of

this research, which I developed in a book chapter published in 2021, a forthcoming article, and an article and a book chapter that are under review.

In 2021, as part of an edited volume of the members of the School of Social Science of the IAS of 2019-2020, I published a chapter on central bank digital currencies (CBDCs). I analyzed the official reports published on this topic by the US Federal reserve, the European Central Bank and the People's Bank of China, and the official declarations of some of its most relevant members. My analysis focused on the political imaginaries presented by these institutions to make sense of and justify the particular designs for CBDCs. These new forms of money have the technological potential to disrupt the current institutional setting that gives the banking sector and the financial industry a central role in the distribution of resources. They have also the potential to transform the current hierarchy of currencies. The major central banks I analyzed explicitly address these issues in order to propose maintaining a status quo that they present as the natural result of a teleological progress in monetary practice. These narratives were produced during the first years of the Covid crisis, providing telling parallels between the naturalization of the pandemic and that of the history of money. This study thus extended my analysis of financial imaginaries to CBDCs and central banks' reaffirmation of a global political order organized through a hierarchy of powerful nation-states and their alliance with the financial industry.

My research on digital payments in China is the object of a forthcoming article in the journal *Accounting, Economics and Law: A Convivium*, as a part of a special issue on the "Futures of money" which includes three other articles. In that article, I propose an exploratory dialogue between the anthropology of money, attentive to the multiplicity of everyday monetary practices and their moral and political meanings, and institutional analyses of monetary institutions. I highlight the need to integrate digital companies operating in finance and the payments sector into the analysis of monetary institutions. This implies understanding, as well, the co-constitution of monetary and digital hierarchies. The article highlights the specificity of how this happens within the Chinese territory, where an oligopoly of non-state-owned companies operates in close relation to state policies, but also partly in conflict with them, while the central government claims that digitalization is a central component in a project to constitute a national society. This last project

is the central topic of another article, which raises similar issues, that I have submitted to the French journal *Réseaux*, and which is still under review.

Finally, I have submitted a book chapter for an edited volume on the “political sociology of the economy”, which brings together research produced in different fields by members of the research unit IRISSO. My chapter extends the research I have started to develop on CBDCs and digital payments in China to study digital monies more generally, including the digital aspects of the banking system, cryptocurrencies, projects like Facebook’s Libra and digital community monies. In line with the book’s pedagogical and programmatic objectives, I propose to analyze these different forms of money by focusing on who controls the digital tools for their production and use, what are the rules of use, what are the political imaginaries proposed by those who control them in order to justify the institutional arrangement, and what are the forms of inclusion and exclusion their use tends to produce, with a focus on global interdependences.

This research mobilizes my analysis of financial imaginaries, their organizational settings and the global distributive effects of the practices of those who work in financial institutions. It brings these approaches together with the studies on the theories of money in the social sciences I conducted so far. And it extends these results to the study of the digital sector. The articles and book chapters written so far have a predominantly exploratory character. I hope to develop these research orientations in the empirical research I will continue doing in China in the coming years.

2.2 Theoretical explorations in the sociology of money and finance

My empirical research on the financial industry, financial education in business schools and digital payments has been accompanied by conceptual work on the analytic categories and theoretical approaches of the financial sector as a whole and on money more generally. These reflections revolve around a pragmatist reflexivity concerning the aims of the description of everyday practice, which I use both for my empirical and my theoretical explorations. In this section, I first briefly present this pragmatist approach. I then present my theoretical and analytical work on financial categories, the study of the financial industry and the study of money.

2.2.1 Critical reflexivity about the social sciences

In 2016, I published a book chapter in an edited volume on reflexivity, where I analyzed the place of Ludwig Wittgenstein's critique of representation in the work of Pierre Bourdieu and Michel de Certeau. I focused on Wittgenstein's proposition to understand the representative use of language as an action among others. This critique of positivism also implied, for Wittgenstein, a reflexive critique of his own philosophical endeavor as a form of social action. I show how Pierre Bourdieu was inspired by this form of reflexivity to consider that social science was not simply a reproduction of reality, but a critical intervention that used representation to disrupt established understandings. At the same time, Bourdieu considered that science, as practice, could propose its deliberative use of language as a universal standard for democracy, but that, contrary to what Habermas presupposed, this potential could only be realized through struggle and not simply posited theoretically. De Certeau mobilized Wittgenstein's reflexivity to consider that the representation of reality by the social sciences, as a social practice itself, had not only a critical component, but also a creative one. Rejecting the attempt to find a universalist horizon in this practice, he proposed instead to focus on the creative character of the representative use of language. In this approach, social science not only provides a critical view of social reality, but also proposes an open view of practice, as the site where change can come about in the everyday. My analysis combines the reliance on the accuracy of representation, foregrounded by positivism, with the critical move that comes from providing a disruptive representation, and with the poetic component that allows for imagining, and hence practicing, reality differently (book chapter on "Wittgenstein's critique of representation" 2016).

Beyond this publication, I occasionally refer in my work to William James, whose pragmatism is partly compatible with this poetic view of the social sciences. I conceive the use of pragmatist approaches of money as a way to combine these three aspects and contribute to imagining alternatives that take into account power relations that include, but also go beyond those problematized in functionalist and idealist approaches of money. In the anthropology of money, this kind of approach

can be found in the work of Viviana Zelizer⁴, Jane Guyer⁵ and Bill Maurer⁶. I consider that it is also close to Judith Butler's foregrounding of the creative character of performance in her study of gender⁷. I develop these issues in the introduction to the Volume 2 of this dossier. This kind of reflexivity runs through my work and is present, explicitly or implicitly, in all my conceptual propositions.

2.2.2 Critical analysis of financial categories

My analysis of how financial professionals use the terms of investor, market, value, risk and crisis proposes not to use these concepts as analytic tools but to consider them instead as part of our research object. I show how, in professional financial practice, these concepts have multiple, partly contradictory meanings and financial professionals can have very different emotional and personal relations to them, from adherence to rejection passing through different forms of indifference, just as they also do in relation to their jobs more generally.

Concerning the concept of investor, I show that it is a theoretical figure presupposed in all financial methods of valuation and investment and also a moral figure that employees mobilize to make sense of their own practice and to legitimize it in relations with other professionals. Thus, the concept cannot be used to designate a particular kind of actor in the financial industry or even the financial industry as an actor. The concept is established as a relation, whereby people entrusting their money to the financial industry become "investors" because professionals manage their money, and the financial industry becomes the site where "investors" are enacted because it is where professionals manage other people's money using this theoretical figure standardized procedures that they apply for a salary, a bonus and a career (*Politix* 2011, *L'année sociologique* 2013, *Sociétés Contemporaines* 2013, book chapter on "Hedge funds and the limits of

⁴ Zelizer, V., 2009, *Economic Lives. How culture shapes the economy*. Princeton University Press, Princeton and Oxford.

⁵ Guyer, J. I., 2004, *Marginal Gains. Monetary Transactions in Atlantic Africa*, The University of Chicago Press, Chicago.

⁶ Maurer, B., 2006, "The Anthropology of Money", *Annual Review of Anthropology* 35(2): 1-22.

⁷ Butler, J., 1990, *Gender Trouble. Feminism and the Subversion of Identity*, Routledge, New York and London.

market efficiency” 2015, in *Everyday Practice of Valuation and Investment* 2021, *Valuation Studies* 2021).

The concept of market is problematic for similar reasons, since the word tends to refer to the site where investors meet. My research shows that the moment of transaction, where professionals buy and sell financial assets, is certainly important in the organization of the financial industry, but only constitutes a part of its activities. Much of the valuation and investment procedures are established and practiced by people who do not conduct transactions, such as financial analysts, asset managers and all sorts of consultants. The activities of purchase and sale can thus be determined and organized in great part by these other activities, so that the transaction is only a segment with a more complex organization of collection and distribution of money. Focusing on the transactions and, even more, reducing the financial industry’s social role to that of markets, obscures these processes of valuation and investment and their distributive effects, and it frames the analysis in the moral and political debates about the social place of markets in society, instead of foregrounding, for instance, the importance of bureaucratic procedures and of the regulations and commercial and labor contracts that stabilize and contribute to give institutional legitimacy to the social hierarchies produced by how the financial industry collects and distributes money (*Politix* 2011, *L’année sociologique* 2013, *Sociétés Contemporaines* 2013, book chapter on “Hedge funds and the limits of market efficiency” 2015, *Everyday Practice of Valuation and Investment* 2021, *Valuation Studies* 2021).

Part of my research has focused on the concept of value because investment is usually made based on procedural and standardized forms of valuation. I have proposed to avoid using the concept of value as an analytic tool to study valuation practices, and instead analyze how financial practice defines what valuation is and how to define value. This proposes an alternative to analyses inspired on the Marxian framework that tend to relate value to labor and designate the financial industry as producing fictitious value or simply being disconnected from the “real economy”. It also differs from analyses inspired on Weber that tend to study practice as revolving around the realization of values qualified, for instance, as ethical, moral, political or religious. The various emotional and ethical relations employees establish with their work precludes any presupposition that they would “believe” systematically in the “values” they define in financial valuation. But,

more importantly, my analysis shows that the distributive effects of valuation and investment are partly organized by how “value” is defined in professional practice, but that these professional definitions of value do not need to correspond in any way to a critical study of the social hierarchies they establish. Situating “value” as part of the practices we observe, we can establish an analytical framework that focuses on the production of social hierarchies that does not take up and their problematization in terms of markets and the true or wrong value that prices would reflect (*HAU: Journal of Ethnographic Theory* 2013, *Everyday Practice of Valuation and Investment* 2021, *Valuation Studies* 2021).

My critique of the concept of crisis follows a similar path. Since, in the financial industry, the concept is usually defined in relation to the role prices are supposed to play in market efficiency, the moments where “crisis” is absent tend then to be legitimized as moments when efficiency is realized, thereby justifying the social hierarchies produced by the financial industry as a socially optimal allocation of resources. This legitimizes massive global inequalities that remain absent both when a financial “crisis” is officially declared and when it is considered not to happen. Thus, it is important to avoid using this concept, especially when the actors we observe themselves use it (book chapter “Anthropology – of the financial crisis”, 2012, *American Anthropologist* 2014, book chapter “What financial crisis?” 2015, *Everyday Practice of Valuation and Investment* 2021).

Analyzing the concept of risk as part of financial practice, and not as a social phenomenon that the financial industry would face together with the rest of society, allows for seeing how this concept is established in a way that tends to naturalize power relations between the figure of the investor, the state and the rest of society. It also shows the fragmentary use of mathematical tools, which nevertheless are foregrounded as a form of scientific reasoning that would sustain the social superiority of financial practice to “value” risk and to protect society from it. Instead of using risk as an analytic category to make sense of practices in the financial industry, I propose to consider it as part of the imaginaries with which financial professionals organize and legitimize the social hierarchies they produce (*Politix* 2011, *Everyday Practice of Valuation and Investment* 2021, *Valuation Studies* 2021, book chapter on “Risk and finance” 2023).

Some of these concepts are central in analyses that tend to provide a non-critical view of the role of the financial industry. But these concepts may also appear

in critical perspectives, as I mentioned for the concept of value. Using the concept of imaginaries allows instead for analyzing the multiple meanings these concepts have in everyday practice, with their contradictions and disconnections and observe their role in the production of social hierarchies by the financial industry. Using them as analytic tools, instead, runs the risk of veiling the social processes whereby they are mobilized and problematizing social hierarchies in moral and political terms that limit critiques to the conceptual frameworks to which these concepts belong.

2.2.3 Theoretical contributions to the sociology of finance

Part of my work consisted in synthesizing the literature in the anthropology and sociology of finance, with a focus on how to do qualitative research and combine multiple analytic entries in order to highlight the political role of the financial industry from a global perspective.

With Sabine Montagne, we published an article where we argued that a political sociology of finance should unpack the concepts of investor and investment, in order to study the various social processes implicated in the distribution of money by the financial industry, at multiple scales (Montagne and Ortiz in *Sociétés Contemporaines* 2013). These include the analysis of valuation and investment methods and forms of reasoning; of employees' trajectories and the relations within and between companies; of regulatory frameworks produced by states; and of global monetary flows, concentrations and exclusions that result from the activities of the financial industry. While these different entries imply different methods that may not be mastered or mobilized in a single study, our argument is that each entry should take into account the findings of the other entries to formulate research questions. Thus, for instance, analyses inspired in the social studies of science have done much to study financial methods but, often limited by the conceptualization of performativity, they may lose critical relevance if they do not address the organizational settings where these methods are used and their distributive effects. Conversely, macro- or meso-level analyzes that study the relations between companies and economic sectors may gain from integrating the results of micro-level analyses that show that financial companies are constituted

through conflict, competition and various financial rationales, so that distributive results do ensue from the multiple tensions that go across them. I have foregrounded this approach in my empirical studies, in articles and book chapters proposing syntheses of the field and in my book (book chapter on “The political and moral imaginaries of financial practices” 2018 (published in French in 2017), book chapter on “Finance” 2018, *Anthropological Theory* 2021, *Everyday Practice of Valuation and Investment* 2021).

I have published other articles and book chapters where I address similar issues to focus on the global character of the social hierarchies produced by the financial industry’s monetary distribution. The interdependence of financial companies and their capacity to invest worldwide implies that, although probably no company invests in all available assets in the world, taken as an organizational setting, the financial industry does operate a comparison among all available assets, putting them in competition to access the money it manages and assessing them using, in great part, the methods I described above. I propose thus to address the financial industry as a global political institution and I developed an analytical approach attempting to connect the practices that can be observed in qualitative research with this global political role. I propose to do so by situating the monetary flows we can observe in a segment of the financial industry within the global distribution of money managed by the financial industry. This implies clarifying the relation of the companies and practices we observe with other companies and sectors of the financial industry. Analyzing the personal trajectories of employees, this means also taking into account the way they perceive the global setting where they operate and how they situate themselves in the global hierarchies they produce, for instance through identifications in terms of nationality, class and gender. The standardized procedural character of valuation and investment practices allows for analyzing every segment of the financial industry we observe as part of a broader organizational setting, even if each company has specificities that need to be taken into account to limit presuppositions about its representative character. The analytical approach through multiple entries and the connection of qualitative research to global hierarchies thus contribute to a global political sociology of finance (book chapter on “Financial professionals as a global elite” 2013, book chapter on “Finance” 2018, *Sociología & Antropología* 2019, *Anthropological Theory* 2021, *Everyday Practice of Valuation and Investment* 2021).

This analytic standpoint on the financial industry is intimately connected to a reflection on money that I addressed in several theoretical papers.

2.2.4 Theoretical contributions to the sociology of money

In the introduction to the original manuscript that constitutes the Volume 2 of this dossier I present with more detail the pragmatist approach of money that I mobilize in my research, so here I will just present the major ideas that I have developed in my work and publications. I propose a pragmatist understanding of money that is attentive to the multiple meanings of money in the social relations where it is used. This approach, inspired by the work of Viviana Zelizer⁸ and Jane Guyer⁹, differs from functionalist approaches that give money a fixed set of functions and from idealist approaches, that focus on the symbolic character of money and its role in the constitution of society, inspired for instance in the work of Simmel. Functionalist and idealist approaches do make important contributions to the analysis of money, but, as Nigel Dodd¹⁰ suggested, they can be combined with other approaches so that we can have a broader and more comprehensive view of what money can be. This approach of money is fruitful to study the financial industry without limiting the study to the roles attributed to it in functionalist and idealist views of money, for instance in analyses inspired in the Marxian framework that sees finance as belonging in a fictitious or non- “real” sphere of the economy, or in analysis that problematize the financial industry as a threat to the ideal national community that would be represented by sovereign states. Pragmatist approaches of money show that monetary hierarchies concern not only class, but also gender, age, religion, nationality and other social relations. Thus, instead of focusing on the role of the financial industry in class relations or in relation to national communities, pragmatist approaches allows for seeing how it connects to various power relations, paying attention to the various meanings that valuation and investment have for the professionals that carry them out. I have stressed this point above, in the discussion

⁸ Zelizer, V., 2009, *Economic Lives. How culture shapes the economy*. Princeton University Press, Princeton and Oxford.

⁹ Guyer, J. I., 2004, *Marginal Gains. Monetary Transactions in Atlantic Africa*, The University of Chicago Press, Chicago.

¹⁰ Dodd, N., 2014, *The Social Life of Money*, Princeton University Press, Princeton.

about the terms investor, market, value, risk and crisis (*Perspectivas* 2014, *ECNU Review* 2019, book chapter on “Liquidity” 2020, *Everyday Practice of Valuation and Investment* 2021).

This approach of money is also useful to address the global character of the hierarchies established by the financial industry. In a paper co-written with Keith Hart published in 2014, we stressed the idea that monetary relations make us interdependent globally, and that the financial industry plays an important role in the process, although of course it is not alone. Looking at the global inequalities in monetary distribution and the social hierarchies to which they contribute is a useful contribution to a global sociology that proposes to frame research questions and critical contributions from a perspective of humanity as whole, even if each research may focus on a more-or-less small segment or aspect. Overlooking this global aspect prevents us from seeing how global interdependences can be determining factors in the constitution of inequalities. In the study of the financial industry this is crucial, since very often the local power of financial companies, for instance in relation to states or smaller social groups, comes from the capacity of these financial companies to connect with the rest of the financial industry and mobilize amounts of money that overwhelm the locally situated actors. A pragmatist approach of money that starts from a global perspective on social hierarchies allows thus for studying the production of inequalities at more localized levels and understanding how several institutions, including states and the financial industry, contribute to these inequalities through monetary practices that have multiple meanings that must be studied in their specificity (Hart and Ortiz *Annual Review of Anthropology* 2014, book chapter on “Credit and Debt” 2018, *Sociología & Antropología* 2019, *Everyday Practice of Valuation and Investment* 2021, book chapter on “Central Bank Digital Currencies” 2021)

2.3 Conclusion

My research journey started from a study of the inner workings of the financial industry and expanded to an analysis of its co-constitution with other power relations, both in the case of cross-border investment and in the study of digital payment systems. I have progressively extended my empirical and

theoretical questions to processes outside the financial industry. But my focus has remained on the production of global hierarchies through the distribution of money. This implies a recurrent reflexive work on the study of money in the social sciences.

My research before the study presented in the Volume 2 of this dossier was mainly concerned with the study of the everyday practice of valuation and investment methods in various organizational settings. This allowed me to observe the standardized and procedural character of the application of these methods, their direct relation with the way in which the financial industry distributes money and the global character of this distribution.

The Volume 2 of this dossier presents an analysis of a segment of the financial industry operating in cross-border investment between China and Europe and the US. In this case, I observed how the practices within the financial industry, which were very similar to those I observed elsewhere, implied combinations of financial imaginaries with imaginaries of states, economies, borders and cultural and national identities. Focusing on these combinations, I mobilized a particular notion of co-constitution between finance and other power relations, that is useful to study how financial professionals practice different understandings of borders, states and time.

My current research on digital payments focuses on institutions within the Chinese territory, but connects them, analytically and through the study of financial imaginaries, to developments outside this territory. Thereby, it mobilizes the results of my previous research to study the role of the digital sector in monetary distribution. I develop the global focus of my previous research, to analyze the territorial and institutional borders produced through digital payments as the result of monetary practices occurring within global interdependences. The work presented in Volume 2 thus plays a pivotal role in this research trajectory.

3. List of publications

3.1 Books

Ortiz, H., 2021, *The Everyday Practice of Valuation and Investment: Political Imaginaries of Shareholder Value*, Columbia University Press, New York.

Muniesa, F., Doganova, L., Ortiz, H., Pina-Stranger, Á, Paterson, F., Bourgoin, A., Ehrenstein, V., Juven, P.-A., Pontille, D., Sarac-Lesavre, S. and Yon, G., 2017, *Capitalization: A Cultural Guide*, Presses des Mines, Paris.

Ortiz, H., 2014, *Valeur financière et vérité. Enquête d'anthropologie politique sur l'évaluation des entreprises cotées en bourse*, Presses de Sciences Po, Paris.

3.2 Editor of special issues in refereed journal

Forthcoming:

Ortiz, H. (ed.), 2023 (forthcoming), “Futures of Money – Monies of the Future”, *Accounting, Economics, Law: A Convivium*

Published :

Montagne, S., Ortiz, H. (eds.), 2014 “Sociologie de l’agence financière. Vol. 2”, *Sociétés Contemporaines*, 2014/1, n°93

Montagne, S., Ortiz, H. (eds.), 2013 “Sociologie de l’agence financière. Vol. 1”, *Sociétés Contemporaines*, 2013/4, n°92

3.3 Articles in refereed journals

Under review:

Ortiz, H., “Financial frontiers: borders, conversions, enclosures”, *Journal of Cultural Economy* (status: conditional acceptance)

Ortiz, H. “Futures of Money – Monies of the Future. Introduction”, *Accounting, Economics, Law: A Convivium* (status: conditional acceptance)

Ortiz, H., “Digital payments in China: some questions for a pragmatist anthropology of money”, *Accounting, Economics, Law: A Convivium* (status: conditional acceptance)

Ortiz, H., “Alipay, WeChat Pay et e-CNY: les moyens de paiement numérique comme projet de société”, *Réseaux* (status: revise and resubmit)

Published:

Ortiz, H., 2021, “A political anthropology of finance: studying the distribution of money in the financial industry as a political process”, *Anthropological Theory*, 21(1): 3-27.

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3.4 Book Chapters

Forthcoming:

Ortiz, H., 2023, “Risk and Finance”, in Aldenderfer, M. (ed.), *Oxford Research Encyclopedia of Anthropology*, Oxford University Press, New York (forthcoming).

Published:

Ortiz, H., 2021, ““CBDCs mean evolution, not revolution”: Central Bank Digital Currencies in Times of Covid-19”, in Fassin, D., Fourcade, M. (eds.), *Pandemic Exposures. Economy and Society in the Time of Coronavirus*, Hau Books, University of Chicago Press, pp. 369-383.

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Ortiz, H., 2018, “La evaluación profesional de las empresas cotizadas en bolsa: la producción social de una “verdad” técnica y política”, in Wilkis, A. (ed.), *El poder de evaluar. La producción monetaria de jerarquías sociales, morales y estéticas en la sociedad contemporánea*, UNSAM Edita, Buenos Aires, pp. 27-48.

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Ortiz, H., 2017, “Cross-border investment in China”, in Hart, K., (ed.), *Money in a Human Economy*, Berghahn Books, New York, Oxford, pp. 147-166.

- Ortiz, H., 2016, “Imaginaires politiques et moraux des pratiques financières”, in Chambost, I., Lenglet, M., Tadjeddine, Y. (eds.), *La Fabrique de la Finance*, Presses Universitaires du Septentrion, pp. 59-66.
- Ortiz, H., 2016, “Wittgenstein’s critique of representation and the ethical reflexivity of anthropological discourse”, Evens, T., Handelman, D., Roberts, C., (eds.), *Reflecting on reflexivity. The Human Condition as an Ontological Surprise*, Berghahn Press, New York, Oxford, pp. 124-141.
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- Ortiz, H., 2015, “What financial crisis? The global politics of the financial industry: distributional consequences and legitimizing narratives”, in Hart, K., Sharp, J. (eds.), *Economy for and against Democracy*, Berghahn Press, New York, Oxford, pp. 39-57.
- Ortiz, H., 2013, “Financial Professionals as a Global Elite”, in Abbink, J., Salverda, T. (eds.), *Anthropology of Elites*, Palgrave MacMillan, New York, pp. 185-205.
- Ortiz, H., 2012, “Anthropology – of the financial crisis”, in Carrier, J., *Handbook of Economic Anthropology*, Edward Elgar Publishing, Cheltenham, UK, pp. 585-596.
- Ortiz, H., 2012, “« Dans ses tendances, l’industrie financière ne se trompe pas, mais elle exagère toujours ». Enjeux moraux dans les pratiques professionnelles de la finance”, in Fassin, D., Eideliman, J.-S. (eds.), *Economies Morales Contemporaines*, Editions La Découverte, Paris, pp. 53-72.
- Ortiz, H., 2010, “Value and Power: some questions for a political anthropology of global finance”, in Acosta, R., Rizvi, S., Santos, A. (eds.), *Making Sense of the Global. Anthropological Perspectives on Interconnections and Processes*, Cambridge Scholars Publishing, Cambridge, pp. 63-81.

3.5 Book reviews

- Ortiz, H., 2021, “The “American middle class” after 2008: financial, fictitious, foreclosed”, about Stout, N., 2019, *Dispossessed. Dispossessed. How Predatory Bureaucracy Foreclosed on the American Middle Class*, University of California Press, Oakland, *European Journal of Sociology*, 61(3): 542-548.
- Ortiz, H., 2021, “*Money Counts: Revisiting Economic Calculation*, edited by Mario Schmidt and Sandy Ross. New York and Oxford: Berghahn Books, 2020”, *Anthropological Forum*, Vol 31(2), pp. 210-212, doi: 10.1080/00664677.2021.1885113.
- Ortiz, H., 2019, “Chong, K., 2018, Best practice: management consulting and the ethics of financialization in China, Durham, NC and London: Duke University Press”, *Asian Anthropology*, 18(4), pp. 299-301.

- Ortiz, H., 2018, “Arjaliès, D.-L., Grant, P., Hardie, I., MacKenzie, D., Svetlova, E., 2017, *Chains of Finance. How Investment Management is Shaped*, Oxford University Press, Oxford, UK”, *Organization Studies*, Vol 40(6), pp. 941-947.
- Ortiz, H., 2018, “Subacchi, P., 2016, *The People’s Money. How China Is Building a Global Currency*, Columbia University Press, New York”, *Economic and Political Weekly*, Vol. 53, Issue 37, 15 Sept. 2018, pp. 33-35.
- Ortiz, H., 2017, “Maurer, Bill: *How Would You Like to Pay? How Technology Is Changing the Future of Money*. Durham: Duke University Press, 2015. 163 pp.”, *Anthropos* 112-2017, pp. 337-338.
- Ortiz, H., 2017, “The co-constitution of money, gender, national and cultural identities, and global elites. On Kimberly Kay Hoang’s, *Dealing in Desire. Asian Ascendancy, Western Decline, and the Hidden Currencies of Global Sex Work*. University of California Press, 2015”, *Socio-Economic Review*, Vol. 15, n°3, pp. 679-683.
- Ortiz, H., 2014, “Bell, S., Feng, H., *The Rise of the People’s Bank of China: The Politics of Institutional Change*, Harvard University Press, Cambridge, MA.”, *Perspectives Chinoises*, n°2014/3, pp. 59-61.
- Ortiz, H., 2013, “Fisher, M., 2012, *Wall Street Women*, Duke University Press, Durham and London”, *Sociologie du Travail*, Vol. N. pp. 545-547.
- Ortiz, H., 2012, “Lépinay, V. A., 2011, *Codes of Finance. Engineering Financial Derivatives in a Global Bank*, Princeton University Press, Princeton”, *La Vie des Idées*, 2012, <http://www.booksandideas.net/Value-in-Trading-Rooms.html?lang=fr>
- Ortiz, H., 2010, “Gaillard, N., *Les Agences de Notation*, Editions La Découverte, Collection Repères, Paris 2010”, *Genèses. Sciences sociales et histoire*, 2010/2, n° 79, p. 152-153.
- Ortiz, H., 2009, “Heurtin, J.-P. & Molfessis, N. (dir.), *La Sociologie du droit de Max Weber*, Dalloz, Paris”, in *Archives de philosophie du droit*, Tome 52-2009, pp. 453-456.
- Ortiz, H., 2007, “Colliot-Thélène, C., *La sociologie de Max Weber*, La Découverte, Paris, 2006”, www.liens-socio.org, http://www.liens-socio.org/article.php3?id_article=1492

3.6 Other

- Ortiz, H., 2021, “De Shanghai à Paris, les enjeux des monnaies numériques pour les citoyens, 5 questions à Horacio Ortiz”, Conseil National du Numérique, France, <https://cnumerique.fr/de-shanghai-paris-les-enjeux-des-monnaies-numeriques-pour-les-citoyens-5-questions-horacio-ortiz>
- Ortiz, H., 2019, “Finance, Nations and the Global”, *Current Anthropology*, 60(2): 256-257.
- Ortiz, H., 2017, “Anthropologie de la finance globale en Chine”, *Le CNRS en Chine. La vie des laboratoires*, n. 25, Printemps-été 2017, pp. 32-35.

- Ortiz, H., 2015, “Chinese Stock Exchanges in Historical and Political Economic Perspective. A comment on Kai Lyu, “The Institutional Transformation of China's Stock Exchanges: A Comparative Perspective”, AEL: A Convivium (2015)”, *Accounting, Economics and Law: A Convivium (AEL)*.
- Ortiz, H., 2012, “Why Does (or Doesn't) Finance Need an Anthropology?” *Theorizing the Contemporary, Cultural Anthropology Online*. May 17, <http://culanth.org/?q=node/568>
- Ortiz, H., 2009, “Investors and efficient markets: the everyday imaginaries of investment management”, *European Newsletter of Economic Sociology*, Volume 11, Number 1, November 2009, pp. 34-40.
- Ortiz, H., 2009, “Embarking on Financial Industry Research: A Response to Anthropologists' Common Methodological Concerns”, “Knowledge exchange” note in *Anthropology News*, Volume 50, Issue 7, October 2009, p. 25.
- Hart, K., Ortiz, H., 2008, “Anthropology in the financial crisis”, *Guest editorial, Anthropology Today*, December 2008, vol. 24, n°6, pp. 1-3.
- Ortiz, H., 2006, “Dragon” (on the ethics of social sciences according to Howard Becker), *EspacesTemps.net*, Mensuelles, 08.06.2006: <http://www.espacestemp.net/document2026.html>

4. Curriculum Vitae

4.1 Current Position

2016 to date : Centre National de la Recherche Scientifique, France
Centre d'études français sur la Chine contemporaine, Hong Kong
Position: Researcher (chargé de recherche classe normale), section 36
(Sociology and Law)

Other:

2019 to date: Beijing National Accounting Institute, Tsinghua University and
Université Paris Dauphine-PSL, Beijing, China
Position: Thesis supervisor and lecturer in the joint program Executive
Doctorate in Business Administration
Courses: Writing Seminars I and II and Research Design

2014 to date: Research Institute of Anthropology, East China Normal University,
Shanghai, China
Position: Associate Professor
Courses: Political Anthropology (MA), Anthropology of Money (BA),
Anthropological Methods (PhD and MA)

4.2 Education and Diplomas

PhD in Social Anthropology

Ecole des Hautes Etudes en Sciences Sociales, Paris, France, 2008

Dissertation Title: “A political anthropology of contemporary finance:
valuation, investment, innovation” (“Anthropologie politique de la finance
contemporaine : évaluer, investir, innover”)

Mention: Congratulations with unanimity of the Jury (highest mention)

Advisor: Marc Abélès, Professor of Social Anthropology, Ecole des Hautes
Etudes en Sciences Sociales

Jury: Marc Abélès, Robert Boyer, Keith Hart, George Marcus, Philippe
Steiner

Conseil National des Universités

Qualification in Social Anthropology, Sociology and Business Administration,
2010

The “Qualification” is the necessary certification for Professors in the
French public academic system, attributed by the Conseil National des
Universités (“National University Council”).

Certified International Investment Analyst

Société Française des Analystes Financiers, Association of Certified Investment
Analysts, Paris, France, 2010

Focus: Accounting, Corporate Finance, Macro-Economics, Equities, Fixed
Income, Derivatives, Portfolio Management.

M.A. in Philosophy
New School for Social Research, New York City, USA, 2006
Thesis title: “Max Weber’s ethics of social sciences and Friedrich Nietzsche”
Advisors: Jay Bernstein, Agnès Heller

M.A. in Social Anthropology
Ecole des Hautes Etudes en Sciences Sociales, Paris, France, 1998
Thesis title : “Le marché d’Aligre comme espace social” (“The Aligre market as a social space”)
Advisor: Michèle de La Pradelle
Mention : Très Bien (Very Good, highest mention)

B.A. in Political Science
Institut d’Etudes Politiques de Paris (Sciences-Po), Paris, France, 1997
Majors: Political Science, Economics, Social Sciences
Mention: Mention d’honneur (first 10% after the first 2%)

French Baccalauréat,
Lycée Français de Madrid, Madrid, Spain, 1993
Mention: Très Bien (Very Good)

4.3 Organization of academic conferences and panels

European Association of Social Anthropology,
Belfast, Ireland, 26-29 July 2022 (and online)
Co-organization of a two-sessions panel with Gustav Kalm, “Imaginariness of foreign investment: frictions and co-constitutions between international financial flows and national borders”

East China Normal University, Research Institute of Anthropology
Shanghai, China, 28 June 2018
International conference “Anthropology and Sociology of Money and Finance”

East China Normal University, Research Institute of Anthropology
Shanghai, China, 19 June 2015
Co-organization of the international conference “*Money, finance and everyday life in China*”, with 邵京 (Shao Jing) and 朱宇晶 (Zhu Yujing)

East China Normal University, Research Institute of Anthropology, Mines ParisTech, European Research Council
Shanghai, China, 18 April 2014
Co-organization of the research symposium “*New Perspectives in the Sociology and Anthropology of Business*”, with 朱宇晶 (Zhu YuJing)

Society for the Advancement of Socio-Economics, Università degli Studi di Milano
Milan, Italy, 27-29 June 2013

Co-organization of a three panel “mini-conference”: “*States within the Categories of Financial Stability*”, with Benjamien Lemoine and Sabine Montagne

Social Studies of Finance Association, Université de Paris X, Nanterre
Paris, France, 21-22 May 2010
Co-organization of the international interdisciplinary colloquium
“*Reembedding finance*”

Association Française de Sociologie, Ecole Normale Supérieure de Cachan
Paris, France, 25-26 March 2010
Co-organization of the conference “*Faire crédit dans la France contemporaine*” (“*Giving credit in contemporary France*”)

Ecole des Hautes Etudes en Sciences Sociales, Association des Etudes Sociales de la Finance
Paris France, 5 April 2005
Organization of the conference “*Terrains de la finance*” (“*Fields of finance*”)

4.4 Activities as Invited Researcher

School of Social Science, Institute for Advanced Study, Princeton, NJ, United States, 2019-2020
Member, 2019-2020

FLACSO, Universidad de Cuenca, Cuenca, Ecuador, 17-21 June 2019
Presentations: “Antropología del dinero digital en China” and
“Antropología política de las finanzas”.

Hong Kong University, Department of Sociologie, Hong Kong, 2 April 2019
Presentation: “Theoretical and methodological questions in the anthropology and sociology of money for the study of Wechat Pay and Alipay”

Max Planck Sciences Po Center (MaxPo) on Coping with Instabilities in Market Societies, Sciences Po, Paris, France, 25 March 2019
Presentation: “An Anthropology of Chinese Digital Payment Systems, Wechat Pay and Alipay”

SFB 1199: Processes of Spatialization under the Global Condition, Universität Leipzig, Leipzig, Germany, 20 March 2020
Presentation: “An Anthropology of Chinese Digital Payment Systems Wechat Pay and Alipay”

Swiss Graduate Program in Anthropology, Ueberstorf, Switzerland, 1-3 November 2018
Presentation: “An anthropology of Wechat Pay and Alipay”

4.5 Participation in Academic Conferences

- Ortiz, H., 2022, “Antropología del dinero. Los sistemas de pago digitales en China”, Keynote speaker, XIV Jornadas del Centro de Estudios Económicos y Sociales, Universidad Nacional de San Martín, Buenos Aires, 14 November 2022 (participation online).
- Ortiz, H., 2022, “Digital Payments and Political Economy of China”, invited speaker for the conference “China’s Economy and Zero-Covid Strategy”, Center for Asia-Pacific Initiatives, University of Victoria, Vancouver, 20 October 2022 (participation online)
- Ortiz, H., 2022, ““CBDCs mean evolution, not revolution”. Central bank digital currencies in the time of Covid”, presented at the international symposium “Quantified Futures: Exploring the politics, economies, and infrastructures of informational governance”, Université Libre de Bruxelles, Brussels, 22-23 September 2022 (participation online)
- Ortiz, H., 2022, “Finance across the border: conversions, enclosures”, presented at the biennial conference of the European Association of Social Anthropology, Belfast, 26-29 July 2022 (participation online)
- Ortiz, H., 2022, “Global M&A in Shanghai: borders, conversions, enclosures”, presented at the annual conference of the Society for the Advancement of Socio-Economics, Amsterdam University, Amsterdam, Netherlands, 18-20 July 2022 (participation online)
- Ortiz, H., 2022, “Digital payments in China: some questions for a pragmatist anthropology of money”, presented at the annual conference of the Society for the Advancement of Socio-Economics, Amsterdam University, Amsterdam, Netherlands, 18-20 July 2022 (participation online)
- Ortiz, H., 2021, “Anthropology of tax: global relations and the anthropology of money”, participation at the Roundtable “Imagining fiscal futures: what is an anthropology of tax?”, at the annual conference of the American Anthropological Association, Baltimore, United States, 18 November 2021 (participation online)
- Ortiz, H., 2021, “States of global finance: assemblages of the state in cross-border investment in Shanghai”, presented at the international workshop “Against Structural Postponement. On the legitimacy and possibilities of new institutions of sharing”, University of Bern and Swiss National Science Foundation, Murten, Switzerland, 5-8 September 2021 (participation online)
- Ortiz, H., 2021, “Accounting and the political imaginaries of shareholder value: between value creation and crisis”, presented at the Annual conference of the Society for the Advancement of Socio-Economics, Amsterdam, Netherlands, 2-5 July 2021 (participation online)
- Ortiz, H., 2021, “Teaching financial crises in business schools”, presented at the international workshop “How are Financial Crises Remembered?”, European University Institute, ERC MERCATOR project: “The Memory of Financial Crises: Financial Actors and Global Risk”, Florence, Italy, 31 May – 1 June 2021 (participation online)

- Ortiz, H., 2021, “Weber Facing Nietzsche: a Tragic Ethics of Social Sciences”, presented at the Annual conference of the Asian Network for the Philosophy of Social Sciences, Hitotsubashi University, Tokyo, Japan, 4-7 March 2021 (participation online)
- Ortiz, H., 2020, “Transformations of money in China: the digital payment systems Wechat Pay and Alipay”, presented at the annual conference of the Society for the Advancement of Socio-Economics, Amsterdam University, Amsterdam, Netherlands (online conference), 18-20 July 2020
- Ortiz, H., 2020, “Financial imaginaries of time in cross-border investment” presented at the annual conference of the Society for the Advancement of Socio-Economics, Amsterdam University, Amsterdam, Netherlands (online conference), 18-20 July 2020
- Ortiz, H., 2019, “Assemblages of the state in the global financial industry: Cross-border investment in Shanghai”, presented at the annual conference of Finance and Society Network, City University of London, London, United Kingdom, 12-13 December 2019
- Ortiz, H., 2019, “Chinese digital payment systems Wechat Pay and Alipay: an analysis from the point of view of a pragmatist anthropology of money”, presented at the annual conference of the American Anthropological Association, Vancouver, Canada, 20-24 November 2019. Also moderator of the panel: “What is a Financial Frontier? I”
- Ortiz, H., 2019, “Theoretical and Methodological Questions in the Anthropology and Sociology of Money for the Study of Digital Payment Systems Wechat Pay and Alipay”, presented at the international conference “Human Economy in Asia: A Methodological Reflection”, organized by the Department of Sociology of the South Asian University, New Delhi, India, 7-8 November 2019
- Ortiz, H., 2019, “Borders of Finance/Borders of China: Producing Borders in Cross-Border M&A in Shanghai”, presented at the annual conference of the Society for the Advancement of Socio-Economics, The New School University, New York, NY, United States, 27-29 June 2019
- Ortiz, H., 2019, “Chinese Digital Payment Systems Wechat Pay and Alipay: An Analysis from the Point of View of a Pragmatist Anthropology of Money”, resented at the annual conference of the Society for the Advancement of Socio-Economics, The New School University, New York, NY, United States, 27-29 June 2019. Also moderator of the panel: “Money and Banking (I): Digital Currencies and Payment Systems”
- Ortiz, H., 2019, “Antropología del dinero digital en China”, presented as invited researcher at FLACSO, Universidad de Cuenca, Cuenca, Ecuador, 17-21 June 2019.
- Ortiz, H., 2019, “Antropología política de las finanzas”, presented as invited researcher at FLACSO, Universidad de Cuenca, Cuenca, Ecuador, 17-21 June 2019.
- Ortiz, H., 2019, “Max Weber facing Nietzsche: a tragic ethics of social sciences”, presented at the “Asian Conference on the Philosophy of the Social Sciences”, Nankai University, Tianjin, China, 1-2 June 2019

- Ortiz, H., 2019, “Money: digital, global”, presented at the international conference *China Global – Expanding Spheres of Exchange*, organized by the Department of Philosophy, Fudan University, Shanghai, China, 11-12 May 2019
- Ortiz, H., 2019, “Digital Payment Systems in China”, presented at the workshop *Platform Economies Research Group. Workshop on Digital and Spatial Configurations*, co-organized by The Heilbroner Center, The New School and The Institute for Public Knowledge, New York University, New York, NY, United States, 3-4 May 2019
- Ortiz, H., 2019, “Theoretical and methodological questions in the anthropology and sociology of money for the study of Wechat Pay and Alipay”, presented as invited researcher at the Department of Sociology, Hong Kong University, Hong Kong, 2 April 2019
- Ortiz, H., 2019, “An Anthropology of Chinese Digital Payment Systems, Wechat Pay and Alipay”, presented as invited researcher at the Max Planck Sciences Po Center (MaxPo) on Coping with Instabilities in Market Societies, Sciences Po, Paris, France, 25 March 2019
- Ortiz, H., 2019, “An Anthropology of Chinese Digital Payment Systems Wechat Pay and Alipay”, presented as invited researcher at SFB 1199: Processes of Spatialization under the Global Condition, à l’Universität Leipzig, Leipzig, Germany, 20 March 2019
- Ortiz, H., 2018, “Producing the state as multiplicity in cross-border investment in Shanghai”, presented at the annual conference of the Finance and Society Network, University of Edinburgh, Edinburgh, United Kingdom, 6-8 December 2018
- Ortiz, H., 2018, “Financial valuation and investment as political process: doing fieldwork on credit derivatives”, presented at the annual conference of the American Anthropological Association, San José, CA, United States, 14-18 November 2018
- Ortiz, H., 2018, “An anthropology of Wechat Pay and Alipay”, presented as invited researcher at the Swiss Graduate Program in Anthropology, Ueberstorf, Switzerland, 1-3 November 2018
- Ortiz, H., 2018, “Money in the making of society: A pragmatist anthropology of money to approach Wechat Pay and Alipay”, presented at the international conference *2018 California-Shanghai Innovation Dialogues: From Fintech to Insurtech in China and the US: Consumer-Facing Financial Innovation and Economic Change*, University of California, Irvine, Irvine, CA, United States, 28-29 September 2018
- Ortiz, H., 2018, “Imaginaries of the state in global finance: a case study of cross-border investment in Shanghai”, presented at the annual conference of the World Interdisciplinary Network for Institutional Research, Chinese University of Hong Kong, Hong Kong, 15 September 2018
- Ortiz, H., 2018, participation to the roundtable “Swimming into the current: the movement of human society through history”, at the annual conference of the European Association of Social Anthropology, University of Stockholm, Stockholm, Sweden, 14-17 August 2018

- Ortiz, H., 2018, “The risk-free interest rate: the state as sovereign, as asset and as standard of value”, presented at the international conference *Anthropology and Sociology of Money and Finance*, East China Normal University, Shanghai, China, 28 June 2018
- Ortiz, H., 2018, “Imaginarities of state sovereignty in global finance: mathematical calculation, moral hierarchies and political legitimacy”, presented at the annual conference of the Society for the Advancement of Socio-Economics, Doshisha University, Kyoto, Japan, 23-25 June 2018. Also discussant in the panels “Economy and Society: perspectives from social studies” and “Cultural Aspects of Market Emergence”
- Ortiz, H., 2018, “Mobile payment systems and credit in China”, at the international conference *The Dignity and Debt Network Inaugural Roundtable*, Princeton University, Princeton, NJ, United States, 9-10 May 2018
- Ortiz, H., 2018, “Money in the Social Sciences: Theoretical and Methodological Questions”, keynote speech at the *Ist Kinnaird College for Women International Conference on Social Sciences and Humanities*, Kinnaird College for Women, Lahore, Pakistan, 25-27 April 2018
- Ortiz, H., 2018, “The “Risk-Free” Rate of Return in the Politics of Global Finance: The State As Financial Asset, Foundation of Value and Sovereign on Behalf of Creditors”, presented at the 25th International Conference of Europeanists, Chicago, IL, United States, 28-30 March 2018
- Ortiz, H., 2017, “Money as anthropological reality? The everyday production of profits, states and cultures in cross-border investment in Shanghai”, presented at the annual conference of the American Anthropological Association, Washington DC, United States, 29 November – 3 December 2017
- Ortiz, H., 2017, “Imaginarities of price in cross-border investment in China: Calculation, personal trajectory, and organization”, presented at the annual conference of the Finance and Society Network, City University of London, London, United Kingdom, 2-3 November 2017
- Ortiz, H., 2017, “Comments on Arjaliès et alii, *Chains of Finance. How Investment Management is Shaped*, Oxford University Press, 2017”, presented at the annual conference of the Finance and Society Network, City University of London, London, United Kingdom, 2-3 November 2017
- Ortiz, H., 2017, “General Themes in Financialization”, presented at the Valueworks Workshop, Lusaka, Zambia, 6-8 September 2017
- Ortiz, H., 2017, “The states and companies in cross-border investment in China”, presented at the Valueworks Workshop, Lusaka, Zambia, 6-8 September 2017
- Ortiz, H., 2017, “Financialization in Valueworks”, presented at the Valueworks Workshop, Lusaka, Zambia, 6-8 September 2017
- Ortiz, H., 2017, “A political anthropology of finance: valuation and investment as political processes”, présenté à la conférence internationale 12th Annual International Ethnography Symposium, University of Manchester, Manchester, Royaume Uni, 29 août – 1^{er} septembre 2017

- Ortiz, H., 2017, “The multiplicity of imaginaries of profit in cross-border investment in China: calculation, organizations, identities and political institutions in a global space”, presented at the annual conference of the Society for the Advancement of Socio-Economics, Ecole Normale Supérieure de Lyon, Lyon, France, 29 June – 1 July 2017
- Ortiz, H., 2017, “A financialized sovereign? The images of sovereignty in global finance and the production of sovereign debt in France”, presented with Benjamin Lemoine at the annual conference of the Society for the Advancement of Socio-Economics, Ecole Normale Supérieure de Lyon, Lyon, France, 29 June – 1 July 2017
- Ortiz, H., 2016, “The Risk-Free Rate of Return in the Politics of Global Finance”, presented at the annual conference of the Society for the Advancement of Socio-Economics, University of California, Berkeley, CA, United States, 24-26 June 2016
- Ortiz, H., 2016, “Critique of Hoang, K. K., 2015, *Dealings in Desire*, University of California Press” (session “Authors meet critics”), presented at the annual conference of the Society for the Advancement of Socio-Economics, University of California, Berkeley, CA, United States, 24-26 June 2016
- Ortiz, H., 2016, “Financial, Moral and Political Meanings of Cross-Border Mergers and Acquisitions in China”, presented at the international workshop *Real Economy*, Núcleo de Pesquisas em Cultura e Economia (UFRJ) – PPGSA (IFCS) and PPGAS (Museu Nacional), sponsored by The Wenner-Gren Foundation for Anthropological Research / CNPq, Museu Nacional, Rio de Janeiro, Brazil, 16-18 June 2016
- Ortiz, H., 2016, “Imaginaries of cross-border investment in Shanghai: profits, states and cultures”, presented at the international conference “发展—财富—流动” (“Development, Wealth, Circulation”), East China Normal University, Shanghai, China, 15-17 April 2016
- Ortiz, H., 2015, “Cross-border investment in China: a reflection on financial and political imaginaries of global finance”, presented at the annual conference of the American Anthropological Association, Denver, CO, United States 20 November 2015
- Ortiz, H., 2015, “Cross-border investment in China: a reflection on financial and political imaginaries of global finance”, presented at the annual conference of the International Union of Anthropological and Ethnological Societies, Thammasat University, Bangkok, Thailand, 17 July 2015
- Ortiz, H., “Value, Investors, Markets, States and the Global: Exploring the Meanings of Everyday Practice of Cross-Border Financial Investment in China”, presented at the annual conference of the Society for the Advancement of Socio-Economics, London School of Economics, London, United Kingdom, 1-2 July 2015
- Ortiz, H., “Establishing “Value” Across the Chinese Border: Some Questions about the Relation Between Fieldwork, History and the Transformations of Global Finance”, presented at the annual conference of the Society for the Advancement of Socio-Economics, London School of Economics, London, United Kingdom, 1-2 July 2015

- Ortiz, H., 2015, “Cross-border investment in China: a reflection on financial and political imaginaries of global finance”, presented at the international conference *Money, finance and everyday life in China*, East China Normal University, Shanghai, China, 19 June 2015
- Ortiz, H., 2014, “Cross-border investment in China: from fieldwork to global processes”, presented at the international conference *Money in the Making of World Society*, Human Economy Program, University of Pretoria, Pretoria, South Africa, 19-21 August 2014
- Ortiz, H., 2014, “Establishing “value” across the Chinese border: financial methods, social identities and transformations of global finance”, presented at the annual conference of the Society for the Advancement of Socio-Economics, University of Chicago, Chicago, IL, United States, 10-12 July 2014
- Ortiz, H., 2014, “Investing across the Chinese border”, presented at the international conference *New Perspectives in the Sociology and Anthropology of Business*, coorganized by the East China Normal University and Mines ParisTech, at East China Normal University, Shanghai, China, 18 April 2014
- Ortiz, H., 2014, “Transformations de la finance globale en Chine”, presented at the Septième Rencontre Européenne d’Analyse des Sociétés Politiques, Institut d’Etudes Politiques de Paris (Sciences Po), Paris, France, 6-7 February 2014
- Ortiz, H., 2014, “Financial valuation and investment: techniques, organizations, politics”, presented at the international workshop *Finance, Food and Farming Workshop*, International Institute of Social Studies, The Hague, Netherlands, 25 January 2014
- Ortiz, H., 2013, “Investing across the Chinese border. Qualitative research on FDI in China: the transformation of financial standards, social identities and expectations”, presented at the international conference *Second Critical Studies in Accounting and Finance (CSAF) Conference*, United Arab Emirates University, Abu Dhabi, United Arab Emirates, 15-17 December 2013
- Ortiz, H., 2013, “As a matter of truth: stock valuation in contemporary finance”, presented at the international workshop *Performing business and social innovation through accounting inscriptions*, co-organisé par *Accounting, Organizations and Society* et JE Cairnes School of Business and Economics, National University of Ireland, Galway, Ireland, 22-24 September 2013
- Ortiz, H., 2013, “What financial crisis? The global politics of the financial industry: distributional consequences and legitimizing narratives”, presented at the international conference *The Human Economy: Economy and Democracy*, University of Pretoria, Pretoria, South Africa, 22-24 August 2013
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- Ortiz, H., 2006, “El dinero y la alegría”, presented at the international conference *Segundo Coloquio Internacional sobre el Gesto Teatral Contemporáneo*, Universidad Nacional Autónoma de México (UNAM), Mexico D.F., Mexico, 27-30 November 2006
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- Ortiz, H., 2005, “Comment décrire la constitution de la valeur financière ? Le rôle de l’enquête de terrain”, presented at the conference *Terrains de la finance*, coorganized by the Laboratoire d’Anthropologie des Institutions et des Organisations Sociales (LAIOS-IIAC) and the Association des Etudes Sociales de la Finance, Ecole des hautes études en sciences sociales, Paris, France, 5 April 2005
- Ortiz, H., 2001, “To do (with and without) the notion of “culture””, presented at the annual conference of the American Ethnological Society et de la Canadian Anthropology Association, McGill University, Montréal, Canada, 3-6 May 2001

4.6 Editorial roles

Member of the editorial committee of *China Perspectives/Perspectives Chinoises*

Member of the scientific editorial board of *Anthropological Theory*

Member of the scientific editorial board of *HAU. Journal of Ethnographic Theory*

Member of the scientific editorial board of *Sociologica. International Journal for Sociological Debate*

Co-director of the book series *Human Economy*, Berghahn Press, with Catherine Alexander

Anonymous reviewer for:

Accounting, Organizations and Society; American Ethnologist; American Anthropologist; Anthropological Quarterly; Anthropology Today; China Perspectives/Perspectives Chinoises; Critical Perspectives on Accounting; Cultural Anthropology; Environment and Society: Advances in Research; Fields Methods; HAU. Journal of Ethnographic Theory; Horizontes Antropologicos; Journal of Cultural Economy; Politique Africaine; Regulation review; Revue Française de Socio-Economie; Sociological Theory; Socio-Economic Review; Valuation Studies

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Centre de Sociologie de l’Innovation (CSI), Mines ParisTech, Paris, France

Post-doctoral researcher under a three-year contract 2011-2014, in the program Performabusiness directed by Fabian Muniesa, funded by the European Research Council.

Research on professional financial practices and the teaching of finance in business schools in Shanghai, China.

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East China Normal University, Ecole de Management de Lyon (EMLYON), Shanghai, China, 2010, 2011, 2012, 2013, 2014

Lecturer. Courses:

“Financial Markets in Asia: Challenges and Opportunities”

Course in English for Master’s French and Chinese students attending the MSc program “Doing Business in Asia” of the Ecole de Management de Lyon.

“International Finance”

Course in English for Master’s French and Chinese students attending the MSc program “Doing Business in Asia” of the Ecole de Management de Lyon.

Skema Business School, Suzhou Campus, Suzhou, China, 2011, 2012, 2013, 2014

Lecturer. Courses:

“International Finance”

Course taught in English for French and Chinese students in the MSc “International Business” program.

“Corporate Finance”

Course taught in English for French and Chinese students in the first year of the Master’s program (M1 level).

IES Abroad Business & International Affairs Program, Paris, France, 2008, 2009

Lecturer. Course:

“F310: Introduction to International Finance”.

Course in English for third year Business programs B.A. American visiting students in Paris.

Institut d’Etudes Politiques de Paris (Sciences Po), Paris, France, 2009

Lecturer. Course:

“Social Studies of Finance”.

Course in English for second year B.A. students with majors in Economics, Political Science, Public Policy and International Relations.

Universidad Autónoma de México, Mexico D.F., Mexico, Lecturer, 2006

Lecturer. Course:

“Antropología del dinero”

12 hours seminar in Spanish for B.A. students in social sciences and humanities.

Social Studies of Finance Association, Paris, France, 2004-2009

Research seminar co-organizer:

“Social Studies of Finance”.

Interdisciplinary research seminar on finance, concerned with research on financial models, the normative and regulatory environments, the social organization of financial companies, and historical approaches to finance. Composed of researchers and PhD candidates in the fields of economics, business administration, political science, sociology, anthropology and history.

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IRISSO, Université Paris Dauphine – PSL, Paris, France 2016-2021
CNRS Researcher (Chargé de recherche)

LAIOS, Ecole des Hautes Etudes en Sciences Sociales, Paris, France, 2008-2011
Associated researcher, Laboratoire d'Anthropologie des Institutions et des Organisations Sociales, Institut Interdisciplinaire d'Anthropologie du Contemporain (LAIOS-IIAC)

Social Studies of Finance Association, Paris, France, 2004-2010
President of the association, 2008-2010
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Association Française de Sociologie (French Sociological Association), Paris, France, 2008-2010
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Spanish: native speaker

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Horacio Ortiz

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Contribution to a global political sociology of money

Dossier préparé en vue de l'obtention de l'habilitation à diriger des
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Introduction

This chapter presents the theoretical and empirical contributions of the five following chapters that constitute this manuscript presented for the “habilitation à diriger des recherches” (HDR). These five papers are composed of one published book chapter (Ortiz, 2017a), one published article (Ortiz, 2017b), one forthcoming article (Ortiz, 2023a, status: conditional acceptance) and two unpublished articles. All the papers are based on research composed of interviews and participant observation conducted between 2011 and 2016 in Shanghai and, more marginally, in Beijing, Hong Kong and Western Europe. I did 50 interviews with professionals working in cross-border investment, in particular in mergers and acquisitions (M&A), venture capital (VC), private equity (PE) and greenfield investments. Participant observation consisted in 10 months of qualitative research in a small company specialized in cross-border M&A between China and Western Europe that I call Merge Consulting¹. This research is thus based on empirical material that is totally different from that used during the PhD, which concerned stockbrokers based in New York, and a major asset management company and hedge fund consultants based in Paris. After defending the PhD in 2008, I enrolled in a two-year program to obtain the international professional diploma of Certified International Investment Analyst (CIIA), which I started in Paris and finished in Shanghai. This allowed me to continue doing participant observation in the financial industry as a confirmed professional instead of as an intern, as I had done during the PhD. It also allowed me to elaborate a deeper analysis of financial practice and to have a much more comprehensive view of the methods and types of businesses present in the financial industry. Combined with my qualification by the Conseil National des Universités to teach business administration in 2010, this professional diploma also allowed me to teach in French business schools. In 2011-2014, I conducted research based on participant observation in French business schools located in China, where I worked as finance teacher for MA students (Ortiz

¹ In agreement with the people I observed and to preserve their anonymity, I have transformed some details and all names are fake, except for the cities of Beijing, Shanghai and Hong Kong.

and Muniesa, 2018). During this period, I also engaged in theoretical research in the sociology and anthropology of money and finance in general (Hart and Ortiz, 2014; Montagne and Ortiz, 2013, Ortiz 2018, 2021a) and also with a critical focus on major categories of financial imagination, including value, liquidity and risk (Ortiz, 2013, 2020, 2023b). The research presented in this HDR thus benefited from my learning during the PhD, my qualification as CIIA and the research I conducted in business schools.

The sociology and anthropology of finance have produced rich analyses of the social life and multifarious moral, political and religious imaginaries of financial methods (De Goede, 2005; Leins, 2018; MacKenzie, 2006; Maurer, 2002; Riles, 2011), the organizational dynamics of the financial industry, marked by relations within and between companies that combine collaboration, competition and hierarchy (Abolafia, 1996; Godechot, 2016; Zaloom, 2006) and the political character of financial practices, which contribute to transform social activities to make them appropriable for the extraction of profit in the name of shareholder value or of creditors' rights (Fligstein, 1990, 2001; Lazonik and O'Sullivan, 2000; Ho, 2009; Sinclair, 2005). I contributed to literature, proposing a combined analysis of the political imaginaries of financial methods, the personal trajectories of financial employees, the relations between financial companies and the way in which professional financial practices establish social hierarchies in the global space of their operations (Montagne and Ortiz, 2013; Ortiz, 2021a). The research presented here builds on this literature and proposes two contributions to a global political sociology of money.

Several authors have stressed that a global sociology faces the challenge of avoiding the self-evidence of research questions that are tied to national contours or to dynamics of center and periphery usually marked by the history of colonization (Burawoy, 2016; Bhambra and de Sousa Santos, 2017; Lins Ribeiro, 2014). This follows earlier calls to provincialize the former centers of colonial power and to deconstruct categories like East and West, which tend to render certain borders and their problematizations self-evident analytic starting points (Chakrabarty, 2000; Said, 1978; Trouillot, 2003). This also implies considering that

global hierarchies are the result of multiple, partly autonomous processes, and do not result from a single logic, be it that of capitalism, colonialism or their combination in the Anthropocene (Dunaway and Clelland, 2017; Davis et al, 2017). Putting money at the center of the analysis implies accepting the bias of making relevant practices where money is present, and obscuring those where it is not, a distinction that is itself fraught with power relations. This is undoubtedly a limitation of the research presented here. But because money is pervasively present in power relations worldwide, it does serve as a useful analytic entry to study global hierarchies, without first structuring them in the geographic, culturalist or statist distinctions that the authors quoted above warn us against. The global extension of the financial industry, with its own geographies of exclusion and inclusion, is thus also an important, albeit obviously limited, analytic entry to study these hierarchies and hence the way in which we are all interconnected through power relations. By focusing on the politics of monetary distribution, the studies presented in this manuscript hope thus to contribute to this project of global sociology, building on the literature in the sociology of finance in two main ways.

On the one hand, the research I present here seeks to understand how financial professionals understand the global space of operations of the financial industry in which they operate and how that matters for the way in which they produce social hierarchies in that space by collecting and distributing money. This implies focusing on the way in which financial professionals connect their financial practices to their personal identities and the political and geographical setting where they operate. Much analysis of the financial industry, including part of my previous research, focuses on financial methods, contracts and organizational rules. Many studies have nevertheless also connected financial practices with non-financial practices, such as identifications in terms of gender (Fisher, 2012; Ho, 2009; Roth, 2006, Salzinger, 2016; Zaloom, 2006), nationality (Chong, 2018; Ailon, 2019; Pitluck, 2014) or religion (Rudnykyj, 2019). This extends the sociological understanding of money proposed, among others, by Viviana Zelizer, to the practices of financial professionals, showing the moral, political and emotional meanings that their professional practices concerning money have for them, not

only in terms of financial methods and lines of reasoning, but also in a multiplicity of other ways (Zelizer, 1997, 2005). The research presented in the chapters that follows studies how financial professionals imagine the global space of their operations as constituted by a hierarchy of states, cultures and nations, whose borders are crossed by financial investment.

The second contribution concerns the analysis of the way in which the financial industry interacts with power relations outside of it in this process of global monetary collection and distribution. The research presented here identifies a particular mode of co-constitution of the financial industry with these other power relations, which allows for understanding the organization of the space of operations of the financial industry. Most research on the financial industry tends to analyze the financial industry from the point of view of its inner workings, for instance its methods, rules and strategies. The research presented here shows how, in the context of cross-border investment in China, the financial industry contributes to produce national borders as it expands globally and is co-constituted with power relations with which it must contend and that it has to integrate in its daily operations in order to subsist. The cross-border character of the practices observed in this research allows for complexifying the notion of “global” attributed to the financial industry. It shows how the financial industry contributes to making people more interdependent in hierarchical ways, by the way it moves money across borders, and how, at the same time, it contributes to differentiations and divisions in terms of nations, cultures and states, reproducing borders as a necessary condition for its operations. An important contribution of the studies of the financial industry has been to show how its expansion tends to transform reality to adapt it to its concerns with financial returns, in a power relation that produces social hierarchies in the terms of the financial industry itself (Birch and Muniesa, 2020; Chiapello, 2015; Leyshon and Thrift, 2007; Muniesa et al., 2017). The setting I chose for my research allowed for observing a different process, given the relative power of the financial professionals I observed and different states, the Chinese Communist Party (CCP), and state-owned and non-state-owned companies. This led to analyzing a particular kind of co-constitution between the financial industry

and other power relations, where the result is not a homogenization of social activities in the terms of the financial industry, but a mutual reinforcing of multiple power relations that does not erase their tensions and contradictions. Focusing on this kind of co-constitution allows for understanding an important aspect of the organization of the global space of operations of the financial industry, which can probably be observed in geographical settings other than the one analyzed here.

The chapters show the importance of imaginaries of states, nations, cultures and borders in the production of social hierarchies through monetary distribution. The analysis thus contributes to a global political sociology of money, looking at the way in which these imaginaries and the power relations established in the financial industry contribute to produce global hierarchies through monetary distribution.

In what follows, I first present the general theoretical concern with a global sociology of money that focuses on the multiple power relations that are articulated through monetary practices. I then situate the study of the financial industry within this framework, showing how it operates as a global political institution. The third section focuses on the way in which financial professionals practice “China” and “borders” in their everyday practices. The conclusion addresses how the present study contributes to a global political sociology of money and, hence, to a global sociology more generally.

1. A pragmatist study of global monetary hierarchies

The research presented here is based on a theoretical framework concerned with monetary hierarchies. In this section, I will first explain how I privilege a pragmatist approach of money that is attentive to the multiple uses and meanings of money and hence to the multiple social hierarchies that are articulated through monetary practices. This contrasts with analyses of money that tend to give it a limited series of supposedly universal functions or meanings. I will then clarify how

I propose to think about the multiplicity of monetary interdependences and hierarchies from a global perspective.

1.1 A pragmatist approach of money

Viviana Zelizer's work on money has been foundational in establishing an approach of monetary practices that is attentive to the fact that money's meanings depend on the practices and social relations of which money is a part, and which it contributes to constitute. Studying intimate relations, in particular, she showed how they are partly constituted through monetary practices, as relations between lovers, friends or family members are shaped by how they spend money with and for each other, for instance in the form of household budgeting, gifts, inheritance and life insurance (1979, 1997, 2005, see also Bandelj, Wherry and Zelizer, 2017). The emotional and moral components of these relations shapes money's meanings and roles, so that these meanings and practices of money cannot be defined a priori but must be analyzed in the specificities of each of their occurrences. Zelizer stresses the fact that the broad social existence of money must be understood as the result of the connections between these practices, instead of considering that it is some intrinsic characteristic of money that makes all these practices possible and homogenizes them (2009). In a similar vein, Maurer (2006) calls for a "pragmatics" of money that studies the multiplicity of its meanings in practice. Following this approach, several authors have shown how money is both constituted by and constitutive of a wide variety of social relations. Fourcade (2011) has shown how, in the case of the oil spills involving Amoco Cadiz, Erika and Exxon Valdez, different definitions of nature and of the relation between nature and money were used to determine very different amounts of indemnities and very different uses of those indemnities. Hart (1986) highlighted how the definition of citizenship in monetary policy depends on how money is defined both as a public good of the community and as a liberatory tool in individual exchanges. Studying debt relations, Guérin and Kumar (2020) highlighted their constitutive character for the definition of hierarchical gender relations. Many studies have also shown that monetary

practices can be marked by religious rules that make it a way to connect with gods and ghosts, for instance in religiously sanctioned family budgets (Zaloom, 2016), in religious rituals shaped along the lines of shopping mall consumption practices (Stark, 2011), or in donations to temples and burning fake money for ancestors that establish hierarchies between the US dollar and the renminbi (Chu, 2010).

All these examples not only concern intimate relations to nature, the polity and divinity, but also variously organized institutions that contribute to stabilizing certain rules of monetary practice, such as churches, corporations, courts and governments. Langley's study of the response of the US Federal Reserve and the Bank of England to the financial crisis of 2008 shows that within these institutions money can have multiple meanings that are marked by emotional, moral and political concerns and that can be more or less contradictory or combined (2015). The use of seemingly complex, sophisticated and highly consistent economic theories and models in these institutions does not preclude such multiplicity of monetary practices. Rather, these theories provide part of the meanings and possible practices that compose this multiplicity. Langley shows, for instance, how administrators combine mainstream economic theories with sociological and psychological intuitions when they try to assess citizens' emotional reactions to their policies (for this last point, see also Holmes, 2013). Guyer (2004) has proposed to consider the multiple regularities of monetary practices in terms of "repertoires" that must be studied as they are performed in concrete situations, where they are appropriated, transformed and combined with each other (see also Maurer, 2015). The concept of repertoire is useful because it highlights stability and a combination of narrative meanings and concrete practices. The way Guyer speaks of "performance" echoes Butler's (1990) analysis of the performance of gender. Zelizer also stresses that monetary practices change with social relations. In my research, I use the term "imaginaries", to address together and as inseparable the regular forms of action with money and the meanings actors attribute to this action. The term thus corresponds to what Guyer refers to as "repertoire" but speaking of "imaginaries" allows for stressing how these regularities, although sometimes

instituted, can be labile and open to creativity and change (see also Castoriadis (1987)).

This pragmatist approach of money contrasts with functionalist and idealist views that tend to focus on a limited set of meanings and social roles of money. The definition of money as a series of means (of exchange, account and store of value) makes money a function of a social practice, exchange, which would be prior to and independent from it. This fits with theorizations, such as those of neoclassical economics, that situate markets, defined as the exchange of goods and services for a price, at the center of the analysis of social life. Marxian approaches of money tend to reproduce this view, seeing money as the tool for the representation of value through price, like in classical economics, but highlighting that market prices, in capitalist relations, do not represent the labor-value of goods and services, but the exploitative relation that pervades all production (Marx, 1992 [1867]). In both cases, money is analyzed as a technical tool produced by adaptation in ever-expanding market transactions. Idealist approaches of money tend on the contrary to highlight that, for money to be used in market transactions, there must be an agreement among participants about what constitutes money and how to use it. For Simmel, this agreement resulted from a symbol that all monetary users share, as part of a dialectical relation between individual expression in market exchanges and belonging to a vast community of users (1978 [1900]). Simmel considered thus that money was not just a means of exchange but, much more fundamentally, a foundation of society, as a symbol that establishes social interdependence among all the users of the same money, makes them conscious of this interdependence and allows them to commensurate their individualities (see also Carruthers and Ariovich, 2010; De Blic and Lazarus, 2021; Dodd, 2014; Ingham, 2004; Hart 2000; Orléan, 1992). In a different vein, Marcel Mauss's idea that the moral injunction of hierarchical reciprocity is universal and found in all exchanges, including monetary ones, also situated money as a crucial component of the reproduction and transformation of social groups (1995 [1923-1924]).

In spite of the differences between functionalist and pragmatist approaches of money they all study money by focusing on a limited set of meanings and

possibilities. A pragmatist approach of money can integrate the processes studied by idealist and functionalist approaches of money, considering them as part of a broader multiplicity of monetary practices. It is from this perspective that I propose to look at global monetary hierarchies.

1.2 An analytic focus on global monetary hierarchies

Functionalist and idealist analyses of money propose a view of monetary hierarchies that revolves around the main meaning they attribute to money. This can thus be market competition, labor relations or the constitution of social groups. Mauss and Simmel consider the fact that, within the process of monetary unification, multiple hierarchies organize the monetary community. Moving beyond the opposition between functionalist and idealist approaches, Théret (2020) proposes to address together the political, economic and symbolic aspects of money. He thus analyzes together money's central role in the constitution of social groups and in social fragmentations and violent hierarchies based on its unequal distribution, staying attentive to the fact that money can also collapse and disappear altogether. The pragmatist approach of money described above stresses the intersection and interdependence of multiple power relations in monetary practice, but without giving an analytic priority to one of them. Guyer's concept of "repertoire" includes power relations as stabilized rules of practice that establish both the differential amounts of money that actors have access to and the rules of what they can and cannot do with money. These rules can concern labor relations, market competition and the unification of social groups in a process that distinguishes them from other groups, like in the case of national monetary denominations. But it can also concern many other forms of social hierarchy, for instance those established in terms of age, gender, race and religion. Guyer shows how these repertoires can be combined, operate separately or enter into contradictions that are not always solved (2004). Thus, the pragmatist approach of money proposed here does not negate the kinds of power relations studied in idealist and functionalist approaches but integrates them in a potentially much wider set of power relations. This also follows Dodd's

suggestion that most theories of money, whose variety goes well beyond my characterization for the purposes of this introduction, tend to focus on a limited set of possibilities for money, and although this makes them appear limited, we can take what they offer and include it in a more comprehensive approach (2014).

Functionalist approaches of money consider it a technical tool for the expansion of market exchanges that could potentially encompass all humanity. Based on an idealist approach of money, both Simmel and Mauss considered that it was a foundation for the moral and political project to unify humanity in a world society (Hart, 2000; Dodd, 2014). The pragmatist approach of money used here also focuses on global interdependences, but considers them the result of a multiplicity of monetary practices and power relations.

Money is today produced mainly by states and the financial industry, in a complex relation of interdependence and competition, with state currencies being the main form of money worldwide. Most money, although labeled as state money, is indeed the product of bank credit and its circulation, besides bills and coins, rests on the organizational space constituted by the financial industry and, increasingly, the digital sector (Biondi, 2018; Maurer, 2015; Polillo, 2011a). State money is the main way in which financial professionals address their own practices, with a hierarchy among currencies that situates the US dollar on top, as a result of a complex history of colonization, world wars, the Cold War and its aftermath (Eichengreen, 1996). As Helleiner has highlighted, the centrality of state money is the result of a short historical development started some 200 years ago and that never totally excluded other forms of money (2003). Even in the violent process of colonization, the imposition of monetary forms of the metropolises, themselves marked by a multiplicity of practices, on the colonized territories, where other monetary practices existed, did not lead to a simple substitution or homogenization, but to combinations and the creation of new repertoires (Guyer 2004, 2016; Parry and Bloch, 1989). This means that the study of global monetary hierarchies must consider power relations occur through a multiplicity of monetary practices that shift over time (Hart and Ortiz, 2014). The approach proposed here seeks to analyze the practices of financial professionals from an analytic starting point that considers

that they occur in a global space of monetary interdependence. This means situating geographical fragmentations, for instance in terms of state borders, as part of the practices of professionals, instead of considering them as stable units of analysis that frame the study of what financial professionals do.

The chapters of this manuscript explore how part of the imaginaries mobilized by financial professionals concern states, national and cultural identifications, various notions of economy and time and the way in which their practices cross state borders to distribute money worldwide. Professionals mobilize different understandings about how this happens, sometimes presupposing that the whole world will tend to become a homogeneous playing field for the financial industry according to the industry's own terms, sometimes considering that, on the contrary, modes of practices that develop in China, backed by the state and the Chinese Communist Party (CCP), will tend to transform the global operations of the financial industry, and sometimes presupposing that the future will be marked either by a conflict between these two tendencies or by the creation of a new, hybrid form. The chapters show how these understandings of the global space of operations of the financial industry and of the power relations that organize it are constitutive of the way in which professionals establish the hierarchies of access to the money they manage, deciding where this money should go and how it should be used. The following section clarifies how these analyses mobilize a view of the financial industry as a global institution, which reinforces the analytic focus on global monetary hierarchies.

2. A political sociology of the financial industry

By “financial industry” I refer here to an organizational setting composed of a variety of companies, including investment funds, insurance companies, banks, brokerage houses, rating agencies and consultancy firms. These companies share standardized methods of valuation and investment that I observed in the different sites where I did fieldwork, as well as in the process of obtaining the diploma of

CIIA. These methods tend to be institutionalized by national and international professional associations, contracts between companies and state regulation, especially as regulation tends to distinguish professional financial operators from non-professional ones, privileging the former for the management of most of the money invested in financial securities (Arjaliès et al, 2017; Clark, 2000; Montagne, 2006). In the sociology of finance and accounting, research has shown that these standardized methods of valuation and investment proliferate well beyond the financial industry, into public management, investment in art and other social activities. Thereby, the power relations established in these methods, such as those that require recipients of investment to transform in order to prioritize returns for investors, also proliferate and transform social relations outside the financial industry's walls (Mennicken and Miller, 2012; Chiapello, 2015; Van der Zwan, 2014). Other research has highlighted that the financial industry's operations are intrinsically connected to state regulatory agencies, where these industry's representatives often play important roles (Braun, 2018; Gabor, 2021), and to the financialization of corporate practice, which is instrumental in giving the financial industry influence in private companies (Fligstein, 1990, 2001; Roberts, Sanderson, Barker and Hendry, 2006). Sassen (2012) proposes to call financial institutions an "operational field" composed not only of what I term here the financial industry, but also of academic institutions and state regulatory agencies. The analytic choice proposed here corresponds to the concern with the distribution of money as an important component of the production of social hierarchies on a global scale. The companies composing this organizational setting are directly implicated in collecting and distributing money using the same standardized methods of valuation and investment. This is also the case of M&A consultants, since, although they do not manage funds directly, like PE and VC funds, they play a central role in the transfer of money between non-financial companies, which they mediate with the same standardized methods of valuation and investment.

In this section, I will first characterize this organizational setting as a global political institution. I will then explain how a qualitative analysis of everyday practices can show this global institutional role by bringing together four analytic

entries: global financial flows, regulatory frameworks, financial methods and organizational concerns within and between companies, including the personal trajectories of financial professionals. Finally, I will show how the papers presented in this manuscript contribute to understanding the global character of the financial industry, showing how the global presence of the financial industry happens, in particular settings, through a co-constitution with power relations that stand outside of it, including states and forms of differentiation in terms of nation and culture. In this process, the financial industry also contributes to reinforcing these other power relations through the creation of social hierarchies of monetary distribution.

2.1 The financial industry as a global political institution

I refer to the notion of political institution to highlight three points. One is that the financial industry plays a fundamental role in organizing power relations around the access to money that happen outside its confines and that partly correspond to social processes that are not related to financial methods and lines of reasoning (Balandier, 1967; Ortiz, 2021a). The multiple hierarchies established by the financial industry are not equal from one institutional setting to another. For instance, bond and stock issuance plays a central role in the financing of companies and states in some regions and very minor ones in others. The inclusion of activities, areas, or social groups in the monetary interdependencies established by the financial industry also changes the industry itself, for instance as it is adapted to the rules of Islamic finance, to the aims of the CCP in China, or to the restructuring that followed the 2008 upheavals in Europe and the US. Thus, the application of a unified body of financial methods does not result in social life becoming a copy of the ideas that organize these methods, nor can it be understood as the deployment of a single logic that could be encompassed with concepts like financialization or neoliberalism (Van der Zwan, 2014; Venugopal, 2015). Across this diversity, the financial industry retains an organizing role for multiple power relations. It makes these power relations mutually constitutive by comparing them to and putting them in competition with each other, using financial methods of valuation and

investment, so that any power relation organized by the financial industry in a limited geographical setting must be considered in relation with other power relations to which it is connected through the activities of the financial industry.

The second point I want to highlight is that this multiplicity of power relations is brought together through the use of standardized methods of valuation and investment. There is not one center where finance decides for the rest, so we must view these power relations in an assemblage that does not correspond to a single logic that would be outside of it but that results instead from the actual and shifting relations that compose it at any given point (Escalona-Victoria, 2016; Foucault, 1976). Yet, as many authors have remarked, the methods of valuation and investment used in the financial industry are extremely standardized worldwide, as a result of a historical process of convergence among financial regulation across jurisdictions, professional practice across companies, and financial education across academic institutions (Arjaliès et al, 2017; Clark and Thrift, 2005; Ortiz, 2021b; Whitley, 1986; Zaloom, 2006). Accounting and financial methods play mediating roles by the way they connect actors who may not agree on their meanings and purposes and who may use them in different social settings (Miller and O’Leary, 2007). This standardization endows with common characteristics the multiple power relations that come together in the distribution of money by the financial industry, but without rendering them homogeneous. The rules of valuation and investment thus have an institutional character, as they are compulsory within the financial industry and those who attempt to access the money managed by this industry must adapt to them. Mennicken and Miller show that accounting and financial methods like those used in the financial industry establish particular relations of power that are reproduced with variations wherever these methods are applied (2012). They show these methods thereby create a specific “territory” of power relations that is proper to them, even as they are combined and transformed by their use in different settings. I propose here to consider the financial industry as a political institution by defining it as the set of organizations that apply these financial methods in order to organize a distribution of money across a wide array of power relations worldwide.

The third feature I want to highlight is that valuation and investment methods are themselves political imaginaries. The textbook definition of these methods contains explicit mention of the neoclassical imagination about a world composed of markets and individual market participants whose interactions lead to a socially optimal allocation of resources. This is not a superficial discourse disconnected from the methods. On the contrary, this organizes the mathematical relations and the meaning of the data used in and produced with them. Expanding Foucault's analysis of the role of moral and political categories in the constitution of expert forms of knowledge and practices of social discipline, De Goede (2005) and Langley (2015) have shown how the concepts of market, investment, credit, speculation and risk have multiple and often contradictory genealogies that coalesce around moral, political, and affective meanings in particular institutional settings. The methods of valuation and investment used in the financial industry must be understood both as a series of standardized techniques legitimized by professional recognition and regulatory control and as moral and political imaginaries that contribute to legitimizing, within and outside the financial industry, the global hierarchies that this industry creates by the way it produces, collects, and distributes money. Their avowed technical aspect may itself contribute to moral and political legitimizations of particular differential distributions of capacities to act (Ortiz, 2021b).

The research presented in this manuscript mobilizes this understanding of the financial industry as a global political institution that organizes a vast array of social hierarchies worldwide, by the way it collects, produces and distributes money using standardized methods of valuation and investment that have technical, moral and political meanings. The following section addresses how to operationalize this approach when doing qualitative research in the financial industry.

2.2 A qualitative sociology at the intersection of multiple analytic entries

The research I carry out is qualitative, based on interviews, participant observation and the analysis of documents such as professional reports and

textbooks. This presents the methodological and analytic challenge of connecting the results of research to theoretical and empirical questions concerning global monetary hierarchies. The papers presented in this manuscript build in various ways on the approach I developed in previous studies, which combines four analytic entries: global financial flows, regulatory frameworks, financial methods and organizational concerns within and between companies, including the personal trajectories of financial professionals.

The financial industry contributes to the production of social hierarchies partly by the role it plays in a very unequal distribution of income, concentrating extremely high salaries and skewing access to property and other assets (Godechot, 2020). In my research, I focus on the social hierarchies that the financial industry produces by the way in which it collects, produces and distributes money among various social activities worldwide through valuation and investment practices. It is important to situate the concrete practices observed, for instance, within the walls of a company and in meeting rooms, as part of a global distribution of money conducted by the financial industry as a whole. This allows for asking questions about global distribution by looking at segment, however small, of the organization (Ortiz, 2021a). In 2017, the capitalization of stocks and bonds worldwide was close to 200 trillion USD, with a strong concentration in stock exchanges and bonds from the US, Europe, Japan and China (World Federation of Exchanges, 2018; World Bank Group, 2018). Since 2007, stock exchanges situated in China, including Shanghai, Shenzhen and Hong Kong, grew steadily to become the world's second biggest in the mid-2010s. In 2016, so-called foreign direct investment (FDI), which measures the investment in non-listed companies across state borders, reached 2,6 trillion US dollars. Inbound and outbound FDI to China, which concerned the practices of the people I observed, reached respectively 216 billion US dollars and 174 billion US dollars in 2016 (World Bank Group, 2021). These amounts are relatively small compared to the around 5 trillion US dollars exchanged every day if foreign exchange transactions in the global banking system. But they are important in terms of power relations, because it is through these transactions that technologies are transferred across territories. FDI tends to be concentrated in rich

territories, across states related by various treaties concerning economic and non-economic relations and sharing regulatory frameworks, in particular those that secure asset ownership for the companies involved in the transactions (Alcacer and Ingram, 2013). The people I observed perceived the rising place of China in this distribution as a new phenomenon that challenged previous understandings of how money should circulate globally in terms of FDI. This was even more so because 2016 was the first year that outbound FDI surpassed inbound FDI, situating China as a major global source of investment and appropriation of technology. It is crucial to situate the practices observed within these global flows to understand some of their limits and possibilities, as well as the repertoires the people I observed mobilized in relation to them.

The operations of the financial industry tend to be regulated by states in many ways. This concerns property rights and the validity of contracts between companies (Arjaliès et al, 2017). It also concerns the standardization of methods of valuation and investment, whose non-application can lead to severe sanctions for companies and to losing their jobs or even criminal prosecution for financial professionals. Which companies can conduct which transactions is thus part of a broad set of state rules that tend to be compatible from one jurisdiction to another (Clark, 2000; Montagne, 2006). Although the content of state financial regulation shows a certain regularity worldwide (Davies and Green, 2011), its application is fragmented into state jurisdictions and the limits and scopes of various regulatory agencies and organizations, such as stock exchanges, the Securities and Exchange Commission, which supervises securities exchanges in the US or the State-owned Assets Supervision and Administration Commission (SASAC), which supervises all state-owned enterprises (SOEs) in China. In PE, VC and M&A, there are global standard contracts and forms of organization, which concern the ownership of the shares of companies purchased, the rights and duties of shareholders and managers, and the way in which fees are paid to financial intermediaries (Benquet, 2019; Boussard and Dujarier, 2017; Souleles, 2019). These legal aspects are central for the definition of ownership of assets and money and for the standardization and protection of investment methods and strategies, in a global space of financial

operations (Pistor, 2019). These elements can become even more salient, for instance, when professionals consider the different possibilities found in different jurisdictions, for instance in terms of taxation or property rights (Harrington, 2016; Hoang, 2022; Maurer, 2004). It is therefore crucial to integrate these legal and regulatory aspects of financial practice into the analysis of what we can observe through participant observation, because they are a major component that professionals consider when they distribute money in everyday practice.

Research on the rise of shareholder value imaginaries in the corporate sector in the US in the 1990s led to the analysis of differentiated strategies concerning companies' management, and the evidence that financialized forms of management were in conflict with other social concerns and interests (Fligstein, 1990, 2001). The analysis of the internal organization of the financial industry allows for showing that, far from being a homogeneous organizational setting, it is composed of various kinds of companies with different interests and concerns (Montagne, 2014; Polillo, 2011b). Studying the relation between stockbrokers and fund managers, for instance, I could observe how cooperation, competition and hierarchy were constantly at play between companies and between the employees of each company even as they worked together (Ortiz, 2021b). Arjaliès et al (2017) provide a very detailed analysis of the contractual relations that bind together different kinds of companies such as pension funds, investment funds, financial consultants and legal advisors. They show that the relations between these companies are constantly marked by competition and antagonism, even as they share the same methods and legal standards. At the same time, they analyze a case where a rare agreement among companies to change investment methods turns out to be impossible to operationalize, since companies are bound to each other by contracts that are standardized in all their relations, so that changing their practices for one kind of contract may breach other contracts and, more generally, go against the regulations that set these contracts as standards. These relations of cooperation, hierarchy and competition also occur within companies and concern the personal trajectories of employees. As Godechot (2016) has shown, employees may negotiate with their employers the ownership of their methods and strategies and may move to

competing companies as part of their career trajectories. This kind of mobility is also analyzed by Ho (2009) in the context of unstable labor relations in the M&A sector in the United States. I also observed it in my study of brokers and fund managers (Ortiz, 2021b) and it was part of how the people I observed in the study presented in this manuscript also envisioned the companies they worked for and their future careers. In order to understand how transactions are made and money is distributed in exchange for ownership of companies, for instance, it is therefore crucial to situate these practices in the sector of the financial industry where they happen and to study the place they have in the strategies of particular companies and in the life of the employees that do the transactions.

The sociology of accounting and finance has amply explored how financial and accounting methods contribute to represent companies as cash flows and orient their activity to provide returns to shareholders and creditors, according to specific temporalities (Lambert and Pezet, 2010; Muniesa and Doganova, 2021; Power, 2012; Roberts, Sanderson, Barker and Hendry, 2006; Robson, 1992; Takatera and Sawabe, 2000). These standardized methods mobilize the framework of neoclassical economics, presupposing the existence of informationally efficient markets where individual maximizing investors meet looking for all available information on the assets exchanged, so that prices should best reflect the assets' values and hence work as signals for a socially optimal allocation of resources (MacKenzie, 2006; Ortiz, 2014, 2021c). A detailed analysis of these techniques shows that they mobilize several definitions of the concepts of investor, market and value, that contain moral and political imaginaries about the fairness of social distribution that should ensue from market efficiency and about the kind of valuation and investment that should be conducted to get there (Ortiz, 2014, 2021b, 2021c). Miller highlighted that part of these techniques first took shape as state policies oriented towards GDP growth (1991, see also Doganova, 2014; Parker, 1968). Rose and Miller (1992) then showed how these techniques proliferate as people combine them with multiple power relations where they can acquire different meanings and serve different aims. Within the financial industry, the different definitions and the official controversies articulated in these methods are

taken up and mobilized by employees and companies in their relations of hierarchy, competition and cooperation. Thus, the methods do not operate as direct tools for the distribution of money, but only take part in these processes as they are appropriated in often disconnected or contradictory ways (Ortiz, 2014, 2015, 2021b). It is thus important to closely analyze these methods used by financial employees as the legitimate tools to decide where money should go, but their study must be situated in the organizational setting where they are applied, which means analyzing them together with the three entries described above.

The studies presented in this manuscript mobilize these four analytic entries in various ways. They all take into account the limited set of imaginaries contained in financial methods of valuation and investment, situating them in the trajectories of employees and the concerns of their companies, and in the regulatory framework in which they operate, as part of global financial flows. Chapter 2 does so by studying how, in different organizations like VC and M&A, people mobilize the same political imaginaries of financial methods of valuation, but to give very different assessments of the geopolitics of financial flows occurring with cross-border transactions in China. Chapters 3, 4 and 5 allow for seeing how these methods are mobilized differently by employees in their relations of cooperation, hierarchy and competition, and how they do so contending with the roles played by the state, in particular as the Chinese state intervened in stock prices during the price fall in Shanghai and Shenzhen stock exchanges in 2015. Chapter 6 looks at the temporalities of financial methods, showing how they are multiple and combined with the temporalities of financial organizations and state policy, so that certain views of time become intrinsic to the monetary hierarchies produced by the financial industry. But the studies presented here go beyond these analytic propositions, looking at the way in which everyday professional practice in the financial industry is co-constituted with power relations that are also produced outside the financial industry.

2.3 The co-constitution of the financial industry with other power relations

The notion of co-constitution I propose to use concerns the way in which financial professionals take into account, reproduce and legitimize power relations that stand outside the financial industry. In this process, professionals make their own practices of valuation and investment dependent on these power relations. In this manuscript, I look in particular to practices of states, economies, borders and national and cultural identity.

The analysis of Islamic finance, in particular how financial instruments such as bonds are turned into contracts that have the legal structure of equity investment, shows a form of co-constitution in which the standardized methods of valuation and investment that are shared across the financial industry worldwide are explicitly changed and redefined, both legally and symbolically, to become compatible with religious imaginaries that prohibit lending with interest (Rudnycky, 2019). In this process, the new methods of valuation and investment acquire a religious meaning that adds to their role in calculation and the establishment of financial contracts. On the other hand, while religious experts that specialize in financial techniques may gain ascendancy in certain social fields, there is no visible financialization of religion itself. This is different, for instance, from the case studied by Zalom, where religiously sanctioned household budgeting both changes the meaning of budgeting and renders budgeting itself a privileged, even necessary practice to connect with divinity (2016). The analysis of the financialization of the administration of the state and of SOEs in China, proposed, for instance, by Wang Y. (2015, 2020), points to a co-constitution of state practice and financial methods of valuation and investment. In this process, the state is financialized in the sense that the organization of central administration, SOEs and local authorities needs to take into account the methods of valuation and investment that are standardized in the global financial industry as major management and decision-making tools. In the same process, these methods become tools of public management, and are therefore not oriented mainly or even primarily at producing returns for shareholders or creditors.

In the research presented in this manuscript, I study another form of co-constitution, where the financial industry becomes interdependent with other power

relations but where the different power relations that are thus brought together retain their specificities, including tensions and contradictions that exist among them.

In the practices I observed, financial professionals take into account the role of states in the distribution of money at least in four ways: 1) states are considered as investment objects; 2) relations are established among various concepts of states, economies and populations; 3) states are conceived as business partners; and 4) states are considered as legal and regulatory frameworks. In this process, states are partly understood and practiced as entities that can act on and transform what is imagined as an “economy”, defined according to more or less vague theories and lines of reasoning (see in this respect, Guyer, 2016; Miller and Rose, 1990; Mitchell, 2008). Thereby, financial professionals combine different understandings of the relative roles of the state and the financial industry in the distribution of money, which can be seen, sometimes at the same time, as conflictive, cooperative and hierarchical. These understandings are part of calculations about future returns and stock price variation and of assessments of the transformation of regulation, for instance concerning licenses to operate and taxation. They also include moral and political meanings for financial professionals, which concern their own professional practice in the financial industry.

The people I observed also took into account various imaginaries of national and cultural identity, differentiating “China” from “the West”, “Europe and the US” or “the rest of the world”. They tended to consider that the behavior of populations within these entities is homogeneous and differs from one entity to another, and used this understanding to gauge, analyze and justify where money should go. This concerned, for instance, considering that there are cultural traits that determine consumption or savings, which may be important to obtain profits using standardized methods of valuation and investment, and that states’ power, however defined, depend also on the cultural traits of the populations they have jurisdiction over and from which they supposedly derive legitimacy. At the same time, financial professionals also adhered to or distanced themselves from these national and

cultural entities, with moral and political understandings about their own identities and the relation between these entities in geopolitical confrontations.

In their everyday practice, the financial professionals I observed took into account different imaginaries about nation, culture, the state, the economy and the social roles of the financial industry. But they did not attempt to homogenize all the power relations implicated in these understandings. Thus, this form of co-constitution is different from the ones I described for Islamic finance of the Chinese state. This is also different from the practices observed by studies in the sociology of finance, which show how professional financial practice tends to “assetize” the social world and transform it into something that can be capitalized on, using the standardized imaginaries of valuation and investment that I described above (Birch and Muniesa, 2020; Chiapello, 2015; Leyshon and Thrift, 2007; Muniesa et al, 2017). The financial professionals I observed considered that the power relation between the financial industry and the social spaces where it operated was not always clearly tilted towards a superiority of the financial industry, unlike cases studied elsewhere, where global finance appears as a force that imposes itself in processes that echo colonization (Gabor, 2021). In the case I study here, on the contrary, by taking into account these power relations and retaining their specificities, the practices of financial professionals tended to reinforce them and legitimize their role in monetary distribution.

The chapters of the manuscript show how the practices of the people I observed tended to legitimize various power relations as necessary conditions for valuation and investment in manufacturing companies, health, environmental protection and other high technologies. They reproduced several aspects of state power, in particular those that referred to its role in variously defined notions of economy. They also integrated various power relations leading to differentiations in terms of national and cultural identity, which partly included the state. They mobilized these multiple power relations to assess and legitimize where the money should go, favoring certain social activities over others. In that process, they also enclosed these activities within the limited imaginaries relating to these various

power relations. Thereby, they reinforced these other power relations, even in cases where this imposed limitations on the validity or legitimacy of valuation and investment methods and of the financial industry itself. In different geographical or temporal settings, this kind of co-constitution may happen with power relations different from the ones I studied in the case of cross-border M&A, VC and PE in Shanghai. But this may not be the only setting where the financial industry contributes to reproducing power relations that stand outside of it and that may contradict some of its imaginaries of valuation and investment. The findings of this study thus contribute to a global political sociology of money, clarifying part of organization and the imaginaries whereby the financial industry produces social hierarchies worldwide. The next section addresses this co-constitution by focusing on how “China” and “borders” were part of the everyday practices of the professionals I observed.

“China” and “borders” in the monetary hierarchies produced by the financial industry

The notion of co-constitution defined above helps to characterize the way in which the financial professionals I observed integrated multiple power relations in their practices of valuation and investment in order to orient money hierarchically among social activities. These professionals problematized their activities in relation to multiple definitions of “China” and of the “borders” crossed by the money they managed or contributed to distribute. In order to situate and interpret the practices of the people I observed, I relied on the literature that aimed to characterize “China” as a population, an economy and a political system. The aim of my research was not, on the other hand, to produce “China” as my own research object. Like the concept of “borders”, I explored “China” as part of the practices I observed. The same is the case for the categories of “Europe”, “the US”, “the West” and “the rest of the world”. The chapters contribute to global sociology by taking as analytic point global interdependences and analyzing how social hierarchies

result from practices of differentiation, such as those of the people I observed, which contributed to constitute states, economies, cultures, nations and borders as social relations. At the same time, because the practices I observed were overwhelmingly organized by a geography defined in terms of the territories under the jurisdiction of states, I still use the words “China”, “Europe” and the “US” to designate these territories, without nevertheless presupposing that the concept of “territory” would itself be innocuous. The research I propose thus navigates these tensions to understand the global hierarchies produced by the financial industry which, as my research shows, integrate the constitution of states and national borders as part of monetary hierarchies. I will first address the concept of “China” and then the concept of “borders”, showing how the chapters of this manuscript integrate them in the analysis.

3.1 “China” in the monetary hierarchies produced by the financial industry

Financial professionals mobilized various imaginaries about “China”, concerning the state, SOEs, the relation between the state and the economy and ideas about cultural and national identities. The approach I propose to follow in my research is to consider these practices of financial professionals contribute to constitute, as social relations, the entities that they took into account in their everyday. Thus, their professional activities were also practices of the state (Abélès, 2005; Das and Poole, 2003; Sharma and Gupta, 2009), productions of national and cultural identities (Anderson, 1983; Gupta and Ferguson, 1992; Erkişon 2010), and legitimizations of ways to conceive the economy (Guyer, 2016; Miller and Rose, 1990; Mitchell, 2008). In this section, I will address particular aspects of the concerns with the state and the economy, both of which professionals problematized in terms of the legitimacy of their own practices in the distribution of money. In these practices, “China” was defined as a state, an economy, an object of investment or more generally as a source of profits, for instance based on high GDP growth. The literature on China concerning these issues allows for situating

and understanding the practices of these professionals. It thus allows for seeing how the various practices of “China” were constitutive of the way in which financial professionals determined where money should go and who could do what with it, in the global space of operations of the financial industry.

Currently, the major Chinese² banks rank among the biggest banks in the world in terms of assets. The Chinese banking sector, like most of the financial sector, is overwhelmingly state-owned. This is the result of a relatively short historical process (for what follows, see for instance Gruin and Knaack, 2019; Guiheux, 2023; Hertz, 1998; Klein and Pettis, 2020, Petry, 2020; Wang Y., 2015, 2020; Zhu et al, 2009). At the end of the collectivization period, in 1978, there was only one bank in China, which was mainly in charge of managing foreign exchange. Public policy banks were created in the 1980s and the first commercial banks were officially established in the mid 1990s. After a reform of the banking system that redressed banks’ balance sheets in the late 1990s and early 2000s and a regulatory upheaval of the rules in Shanghai and Shenzhen stock exchanges in the mid 2000s, banks and other financial institutions started to be listed, sometimes both in China and abroad. This process was termed as a “corporatization” of SOEs. The management of the companies was oriented at respecting valuation and investment methods using the standards I described above, aiming at producing profit for the shareholders and adopting organizational structures that made the top management structure similar to that of major foreign banks. At the same time, the state remained the majority shareholder of these companies, sometimes owning more than 70% of the shares, giving no control or not even a minor say to other shareholders. CCP membership remained a fundamental component of top management, so that in these companies both the official organizational structure and the organization of the CCP are part of the decision-making process. In the early 2000s and 2010s, much literature, including reports of the International Monetary Fund, considered this organization a temporary anomaly that could only result in crisis unless it veered towards disengagement of the state (see, for instance, International

² As I said above, when not specified otherwise, I use the categories of China, Europe and the US, and the adjectives related to them, to talk about territories where people and institutions are located, headquartered or otherwise operate.

Monetary Fund, 2011). Contrary to these expectations, between 2008 and 2012, the assets of banks doubled, as a way to respond to the potential instability brought about by the financial turbulence that was going on in Europe and the US. Steady GDP growth was maintained and by the mid-2010s, the Chinese banking system and the stock exchanges of Shanghai, Shenzhen and Hong Kong (where major SOEs are listed) had attained volumes among the biggest in the world.

The alternative between privatization or crisis was thus steadily dismissed by GDP growth and a steady expansion of the financial system in China. More generally, the central government designated a series of strategic economic sectors that should not be privatized, establishing instead various SOEs that are in more or less vigorous competition with each other and operate with the guidelines of corporatization, under the official supervision of the SASAC. The place of the financial sector in economic policy and its role for GDP growth, credit distribution and social hierarchies is thus part of a broader explicit governmental project. At the same time, there is a certain fragmentation within companies that operate in a vast territory with a large population. Sometimes, relations of local branches of SOEs with local authorities are more important than guidelines established in headquarters.

This literature articulates debates about the relation between the state, the CCP, the economy, GDP growth and the financial industry. On the one hand, the brief description above allows for seeing the analytic limitations of the approaches that, following the collapse of the Soviet block in the 1990s, expected a process of privatizations and a political transformation like that observed, for instance, in Eastern Europe. In the early 2000s, some of the literature insisted on analyzing “China” as an entity bound to follow that teleology (see, for instance, Bell and Feng, 2013). The IMF report quoted above, published in 2011, produced that line of thinking. The financial crisis of 2008 in the US and Europe, steady GDP growth, financial stability and the progressive accumulation of wealth in China tended to erode this narrative. Yet, it remains more or less present in financial reports and in expectations of financial professionals, in particular as they mobilize the idea of market efficiency that I described in previous sections, which presupposes the

absence of the state in market transactions. Rebuke of these analytic line also concerns the idea that China would be simply capitalist or neoliberal. This led to the elaboration of attempts to characterize China with new concepts, such as state capitalism and regulatory state or, closer to the official narrative of the central government, for instance in the work of Lin Yifu, the definition of a system where the state retains the power to make the strategic decisions about the economy and where markets are used to allocate resources optimally under the state's oversight (Lin, 2012). Many studies show how the development of stock markets was from the start a way to organize state policy and attend to middle-class demands without moving towards full privatization (Hertz, 1998), a project that is still unfolding today (Petry, 2020) and which comes in the midst of a broader use of financial techniques to manage SOEs and state administrations, as mentioned above (Wang, Y., 2015, 2020). Studying the relation between the central government, the financial sector and the officially non-state-owned sector of Fintech, especially after the mid 2010s, Wang Jing shows in turn that these three sectors are marked by competition and conflict, but also by intrinsic interdependence, so that the analytic opposition between states and markets or between private and public is not operative enough (2018, 2020).

Since the 1950s, the central government established a system of capital controls where the inflow and outflow of money to the territory is under the control of public authorities. The transformations of the banking and financial system since the 1980s did not alter this aspect in any major way. There are explicit and detailed regulations determining amounts and reasons why money can go in or out of the country, targeting individuals, companies and specific sectors of activity. The control of the banking and financial system by the state as shareholder and by regulatory authorities is quite effective, so that circumventing these regulations, although certainly possible, implies intricated strategies. Regulations also concern where money can be invested within the territory, with limitations on foreign ownership depending on sectors of activity. Part of that regulation depends on power relations at different levels of administration, from small municipalities to ministries in Beijing, going through a diverse array of special economic zones and

the vast variety of policies across provinces. The analytic concerns about the role of the state, the financial system and the SOEs are thus also at play in the analysis of how money can cross borders. Since the early 2010s, a new element was added to this setting with the increasing injunction by central government for Chinese companies, including SOEs, to invest abroad. During this same period, the financial turbulence and fragility in the US and Europe, started in 2008, made more companies available for purchase at lower prices. The numbers on FDI for China in 2016 that I referred to above made salient a change that was becoming visible and expectable since the early 2010s.

Thus, in the mid 2010s, for analysts in the financial sector, the press and academia, cross-border investment was becoming a new site of problematization of the power of the Chinese state, the CCP, and the “economic system” that they were supposed to preside over. The people I observed mobilized some of these understandings, defining “China” variously as a territory, an object of investment, a state, an economy, a culture or a nation. The way in which they distributed money was partly shaped by how they mobilized these imaginaries and combined them with the standardized practices of valuation and investment. My research shows moments where professionals work together with local administrations, SOEs and otherwise China-based companies. These professionals identified themselves as Chinese, European, American, or Western, and took different moral and political stances in the debates I described above, to assess the way their own practice discriminated among social activities by distributing money in hierarchical ways. The research I carry out does not presuppose analytic distinctions and definitions about borders, states, SOEs, economies, cultures and nations, but looks instead at how they are produced in the everyday practice of the people I observed. These understandings of “China” and the practices related to them were intrinsic to the way in which professionals contributed to produce global social hierarchies through monetary distribution. The next section addresses the fact that they did so by problematizing “borders” and comparing what lied on each side of them in hierarchical ways.

3.2 “Borders” in the monetary hierarchies produced by the financial industry

The research proposed here starts from the analytic point of view that considers that differentiations among social groups must be analyzed as the result of everyday practices. Using valuation and investment methods, the professionals I observed took into account power relations that differentiate groups of people, territories and identities establishing hierarchies about how resources should be distributed among them. Their practices thus contributed to produce entities such as nations, cultures, economies and states and to consider them legitimate or at least necessary imaginaries for monetary distribution. A series of interdisciplinary studies have coalesced around the concept of “border studies”, to stress the importance of seeing any kind of border, and in particular state borders, from this dynamic and relational perspective. These studies highlight that although state borders are certainly dependent on regulatory frameworks and legal systems, their social existence depends on how they are practiced by those who enforce, challenge or transgress them (Wilson and Donnan 2012, Nugent 2019). Practices of “bordering” can serve to make hierarchical differentiations about what lies on each side, while borders can have multiple meanings that people can distinguish or combine (Green 2012, Scott 2020). This includes the people who, by considering they “cross” a border, contribute to establishing it as a social reality.

The chapters that follow explore the multiple meanings that financial professionals gave to notions like China, Europe, the US, and the rest of the world, when they made sense of how they could collect and distribute money investing it in stocks of non-listed companies for investment funds or for non-financial companies. As I show, they tended to problematize these entities in several ways. Some are directly connected to the imaginaries of market efficiency and the priority given to investors’ returns in standardized methods of valuation and investment, comparing for instance the role of states in stock markets and credit distribution, but also how state policies may foster GDP growth or the development of certain sectors of activity and forms of consumption. Other problematizations concerned

understandings of how the economy works, including the capacity of states to influence it, and behavior attributed to cultural or national characteristics with which financial professionals understood they had to contend in order to obtain profits, but which they could also understand in moral and political terms. They did this by establishing borders between different groups, such as China, Europe, the US, and the rest of the world, and considering that these processes were different on each side of the border, and tended to be homogeneous within them, so that borders were adequate tools for hierarchical comparison. Doing so, they established hierarchies about where the money should go. These differentiations and hierarchies could vary from one person to another and from one situation to another. As I described above, they could mobilize varying ideas of global confrontation, hybridity and absorption concerning different political or economic systems. In most cases, these ways of making sense were connected to concrete practices concerning deals to be made or business strategies to be developed. But they also connected to the way in which financial professionals made sense of their own identities, professional practice and personal trajectories, which may contain moral and political considerations. These different repertoires were combined and negotiated in everyday practice, with tensions and contradictions that did not always find resolution and that were carried over and transformed over time.

The people I observed established monetary relations between social activities in a global space of operations. Often based in China, the US and Western Europe, they tended to consider the world as a place of investment and valuation when assessing the transactions they were working in. In this process, they contributed to render social activities and people interdependent worldwide, but they did so by creating fragmentations and hierarchies established not only in terms of returns on investment, but also with imaginaries of nationality, culture, state power and economy as a system, which they differentiated with various understandings of borders.

The concept of co-constitution allows for seeing how this multiplicity of imaginaries were combined and reproduced without becoming homogenized in the

sole terms of financial imaginaries. Financial professionals' understanding of "China" and of the "borders" that separate it from other entities, like "the West", "Europe and the US" or "the rest of the world", were constitutive of hierarchies concerning where money should go and what people should do with it. In this process the practices of the financial industry reproduce these imaginaries in a way that contributes to legitimizing them, even when they imply power relations that stand outside the financial industry or that directly challenge the financial industry's capacity to decide where money should go. The chapters that follow thus allow for understanding a specific organization of the global operations of the financial industry, as part of a global political sociology of money.

Conclusion: contribution to a global political sociology of money

The chapters in this manuscript describe everyday practices of financial professionals who use standardized methods of valuation and investment to determine where money should go, funding start-ups and SMEs through VC, PE and M&A. They do so by combining these methods, including their technical, moral and political meanings, with imaginaries of states, economies, cultures and nations, differentiated by borders. Thereby, they tend to legitimize the power relations these imaginaries refer to, even in cases where these power relations limit or counter the capacity of the financial industry to decide where money should go. I have used the concept of co-constitution to highlight this particular interdependence, which may be found in other settings worldwide. This allows for understanding part of the processes whereby the financial industry acts as a global political institution. As I have stressed, there may also be other forms of co-constitution that are also fundamental for this role of the financial industry, but that I have not captured with the analysis provided here.

The analysis I propose shows how financial professionals engage with Chinese and European SOEs, local administrations and financial and non-financial companies. But instead of considering that there are established entities such as

China, Europe or the US, separated by analytically distinct borders, I start from the everyday practice of monetary distribution to study how the understandings of these entities and their borders are important for where money goes, who gets how much and what they can do with it. This allows for seeing how these imaginaries are constitutive of the social hierarchies produced by the financial industry and how financial professional practices contribute to reproducing them. This approach attempts thus to consider global interdependences and hierarchies first, and then see how imaginaries of states, economies, nations and cultures are part of their production.

The research presented in the following chapters contributes thus to global sociology by focusing on the interdependences and hierarchies that the financial industry contributes to produce in its space of operations. This implies not limiting the research to a state or region, but on the contrary being attentive to the geographies produced by the distribution of money that financial professionals carry out.

The focus on money proposes of course a biased and limited view on global interdependences. But it is a fruitful approach because of the role of money in the production of social hierarchies. The studies presented here thus also contribute to a global political sociology, since they focus on how financial professionals establish hierarchies in the access to the money they manage, excluding social activities from it and contributing to transform the social activities that access this money according to the imaginaries of financial methods and their combination with other power relations.

The research presented here then also contributes to understanding the organization of the global space of operations of the financial industry, looking at how financial professionals combine the imaginaries of their professional organizational space with other power relations that stand outside the financial industry. This allows for seeing how the practices of the financial industry can be co-constituted with power relations and forms of legitimacy that can differ from the imaginaries of financial methods and that can even counter the legitimacy of the financial industry itself.

The chapters that follow focus on how financial professionals produce global social hierarchies by mobilizing multiple imaginaries of “China” and “borders”. This provides a critical reflexive approach on the use of categories such as states, economies, countries, nations and cultures in the study of global interdependences. The imaginaries of geopolitical confrontation, of opposition between state and finance, and of cultural difference, are constitutive of the social hierarchies produced by the financial industry. Positing the global distribution of money as an analytic starting point allows for developing a global political sociology that looks at these forms of differentiation as the result of observable everyday practice, instead of positing them as given.

Finally, from a methodological point of view, these studies aim at developing an interdisciplinary dialogue that allows for using the detailed observation of everyday practice through qualitative research to understand global dynamics.

Summary of the chapters

Chapter 2

Ortiz, H., 2017a, “Cross-border investment in China”, in Hart, K., (ed.), *Money in a Human Economy*, Berghahn Books, New York, Oxford, pp. 147-166.

This paper is based on interviews with financial professionals working in M&A, VC and PE in Shanghai involving cross-border transactions. The paper focuses on three professionals with different personal trajectories and professional duties. Ms. Li, a consultant in M&A for one of the largest global consultancies, was born and grew up in China. Mr. Jones, a manager of a VC fund using money coming from the Chinese state and from outside of China, grew up in Europe and spent most of his adult life in China. Mr. Martin was a CFO of a European company based in Shanghai through a joint venture involving an M&A transaction and spent almost all his life in Europe except for the five years he had been in Shanghai when I met him there.

The paper shows that these professionals understand their practices of valuation and investment using the same standardized financial methods and mobilizing their moral and political content, in terms of the role of market efficiency for the distribution of social resources. They combine these understandings with moral and political views about legal frameworks, the role of the state in economic activities and monetary distribution, cultural and national identities and what they perceived as a potential conflict between China and the West.

Across their different points of view, they problematize the distribution of money not only as a matter of technical methods and profit seeking, but also as a matter of national projects, geopolitical confrontations and identity. In that process, they remark that the legitimacy of financial expertise with the same standardized methods varies in different institutional and legal settings, notably as the SASAC in China gives more importance to stock market prices for comparison when

valuing companies in a transaction, contrary to the moral and political importance of discounted cash flow methods of valuation that are closer to the idea of shareholder value and market efficiency. The paper contributes to an analysis of global monetary hierarchies showing that they do not depend only on standardized methods of valuation and investment that define what profit is and how to obtain it, but they also depend on moral and political imaginaries about states, identities and geopolitical conflict.

Chapter 3

Ortiz, H., 2017b, “A political anthropology of finance: Profits, states and cultures in cross-border investment in Shanghai”, *HAU. Journal of Ethnographic Theory*, Vol. 7, N. 3, pp. 325-345.

This paper uses as primary data the observations carried out through participant observation at Merge Consulting, an M&A consultancy firm based in Western Europe and Shanghai, for 10 months between 2015 and 2016. This fieldwork allowed me to observe many activities of the company, concerning the search in China for potential buyers of SMEs based in Europe, the establishment and nurture of contractual relations between the company and two municipalities, one in China and one in Western Europe, and the way they projected other potential projects, for instance linking universities in China and Western Europe. I was also able to observe the completion of one M&A transaction where a large company listed in the Shanghai stock exchange purchased an SME in the medical sector owned by a mid-size family-owned company based in Western Europe.

Confirming the findings of the research based on interviews, the paper analyzes how financial professionals mobilize imaginaries of “profit”, “states” and “cultures” in their everyday practices concerning the transfer of money between companies. The paper shows that these imaginaries are multiple. Definitions of profit vary within standardized financial techniques, but also in relation to the organizational settings where professionals operate, where calculations of fees,

bonuses and career promotions are an important component of everyday practice. Imaginaries of states also vary, as professionals interact with different levels of administration in the municipalities with which they work, but also with legal frameworks and state policies that matter for where business can be carried out and profits expected. Finally, they mobilize various, often vague ideas of national and cultural identity, that shift and are redefined depending on the situations where they are used, but that are also connected to professional's personal trajectories.

The paper thus extends the findings of the research conducted with interviews, showing how non-financial moral and political imaginaries connect with the technical, moral and political meanings of standardized methods of valuation so that, in actual practice, these imaginaries are mutually constitutive. The organization of where money should go, who should get what, and how that happens in a global space of financial operations, thus depends on these multiple repertoires. Global monetary hierarchies produced by the financial industry are thus also hierarchies of cultures and states as imagined and practiced by financial professionals. In agreement with the general argument of the special issue about the concept of “real economy” where it was published, the paper shows that the distinction between real and financial economy is not operational to study the financial industry. The paper shows instead the fruitfulness of a pragmatist approach of money that is attentive to the multiple power relations at play in the distribution of money by the financial industry.

Chapter 4

Forthcoming as : Ortiz, H., “Financial frontiers: borders, conversions, enclosures”, for the special issue “What is a Financial Frontier ?”, edited by Andrea Ballesteros and Andrea Muehlebach, *Journal of Cultural Economy* (status: conditional acceptance)

This paper is based on interviews and participant observation carried out with financial professionals working in M&A, VC and PE in Shanghai, Beijing, Hong

Kong and Western Europe between 2015 and 2016, focusing on the everyday practices at Merge Consulting, and connecting them with imaginaries of finance, China and states produced, for instance, in reports of the International Monetary Fund. The paper mobilizes the findings of the previous papers, showing how moral and political imaginaries about states, national and cultural identity and geopolitical confrontations are combined in everyday practices with the technical, moral and political meaning of standard financial methods of valuation and investment and the organizational concerns of the companies and networks where professionals work. The paper extends these findings in two directions.

First, the paper analyzes how these imaginaries contribute to the production of borders that articulate hierarchical ways to distribute money. This connects with the literature on bordering, which stresses the importance of practices that take into account state borders, crossing them, challenging them or upholding them, for state borders to exist at all. The notion of border also allows for problematizing the way in which the practices of the financial industry can be called “global”, showing how the collection and distribution of money worldwide by the financial industry creates both global interdependence and fragmentation. Second, focusing on the transaction the members of Merge Consulting completed during my observations, the paper explores more in detail how the multiple imaginaries mobilized by financial professionals come together in a way that makes the financial industry mutually constitutive with power relations that stand outside of it. The practices of financial professionals are thus practices of state production and cultural differentiation, whereby states are problematized in relation to populations imagined as economies and whereby hierarchical distinctions between cultures and nations are reproduced as the legitimate ways to distribute money worldwide.

The paper mobilizes the concept of conversion proposed by Jane Guyer to show how, in these practices, professionals agree on prices and transfer of money for share ownership by bringing multiple moral and political imaginaries that are not homogenized or made commensurable in the terms of the standardized methods of valuation and investment. Thereby professionals reproduce these multiple moral and political imaginaries about states, economies and national and cultural identities,

with their claims about the legitimate ways to distribute money, which sometimes include limitations or critiques of the financial industry itself. In this process, the paper shows, financial practices enclose the objects of investment not only in the power relations established with financial techniques, but also in the power relations that produce states, economies and national and cultural identities. Conversions and enclosures, the paper shows, are thus a particular form of co-constitution of the financial industry with power relations that stand outside of it. These concepts can therefore be useful to analyze the practices of the financial industry in geographical settings and financial relations other than those studied in this paper.

Chapter 5

Ortiz, H., “Financial repertoires of the state. Contributions to a global anthropology of money”, paper proposed for the special issue “Against structural postponement”, edited by Julia Eckert and Johanna Mugler, *Anthropological Theory*.

This paper is based on interviews and participant observation carried out with financial professionals working in M&A, VC and PE in Shanghai, Beijing, Hong Kong and Western Europe between 2015 and 2016, focusing on interviews and the practices of the members of Merge Consulting. The paper adopts the analytical point of view according to which states are social relations that are also produced by people who are not officially state employees. It proposes a global sociology and anthropology that avoids starting with a definition of states or focusing on a particular state as single research object, and studies instead how, in the circulation of money that financial professionals realize across the globe, states are produced in multiple ways that matter for the production of monetary hierarchies.

The paper addresses four practices of the state, whereby: 1) states are considered as investment objects; 2) relations are established among various concepts of states, economies and populations; 3) states are conceived as business partners; and 4) states are considered as legal and regulatory frameworks. The paper

shows that in these different practices, states are defined differently and given various roles in power relations concerning the distribution of money. At the same time, these four repertoires, with their internal variations, are combined in the everyday practice of professionals, so that the multiple power relations they imply can become contradictory, fragmentary or mutually reinforcing.

This paper thus contributes to analyzing the relation of states and the financial industry as part of a single research object: the production of monetary hierarchies in a global space. It contributes to a global sociology and anthropology of money by showing how, focusing on monetary hierarchies, we can move beyond the opposition or necessary analytic distinction between states and the financial industry, and show instead how their various relations, mutual dependencies and conflicts must be thought together in order to understand their distributive effects. This means that the analytic gaze must first start from the global monetary hierarchies and then see how states are part of them, instead of focusing first on social groups defined by their location within a state jurisdiction and analyzing monetary hierarchies within the boundaries of that jurisdiction or from one jurisdiction to another.

Chapter 6

Ortiz, H., “Times of finance: methods, states and organizations”, article in preparation.

This paper is based on interviews and participant observation carried out with financial professionals working in M&A, VC and PE in Shanghai, Beijing, Hong Kong and Western Europe between 2011 and 2016. It focuses on the everyday practices at Merge Consulting and mobilizes previous research done on the conceptual framework of standardized methods of valuation and investment, based on fieldwork carried out in New York and Paris with stockbrokers and fund managers, the obtention of the CIIA diploma and fieldwork carried out in business schools in China between 2011 and 2014. The paper analyzes how financial

professionals' practices of time are constitutive of the social hierarchies they produce by how they distribute money. The paper mobilizes a conceptual framework that foregrounds the multiple imaginaries of time that are part of everyday practice. This contrasts with analyses of the relation between finance and time that tend to focus on one kind or a very limited set of temporalities, such as short-term speculation, discounting the future, securing a recurrent rent or capital accumulation. The paper focuses on three sets of temporalities that appear as crucial for the monetary distribution produced by financial professionals: temporalities of financial methods of valuation and investment, temporalities of states and organizational temporalities.

The paper analyzes four temporalities present in financial methods of valuation and investment: a horizon of several years where rent is expected to be extracted from companies, a notion of infinity present in the concept of risk-free rate of return that serves as a foundational standard of value, a notion of infinity presupposed in statistical calculation using prices supposedly produced by efficient markets, which is combined with the idea that investors interact endlessly, and a notion of short term price variations that allow for speculative approaches. Secondly, the paper shows how financial professionals combine these temporalities with three temporalities of states. One concerns the stabilization of the horizon of operations in relation to state policies concerning which financial methods should be privileged and which sectors of activity should be allowed or pushed to grow. Another concerns a longer-term horizon of geopolitical relations, that implies political considerations about the future of states and the financial industry in global monetary distribution. A third one concerns short-term actions of the state, in particular the Chinese government's purchase of stocks during strong price variations in Shanghai and Shenzhen stock exchanges. The third section concerns organizational times, including the standardized steps and various rhythms of M&A transactions that can take years to be completed with different speeds and moments of stillness and acceleration. Financial professionals combine these temporalities with their personal trajectories, which include distinctions between professional and non-professional times.

The paper shows financial professionals mobilize these temporalities are differently at different moments, and their importance is also dependent on organizational and institutional processes that are not encapsulated in the limited temporalities of financial techniques. The article contributes to analyses that show how the hierarchies and inequalities produced by the financial industry do not correspond to a single temporality that it would impose on the rest of society, but to a multiplicity of temporalities that articulate multiple power relations inside and outside the financial industry itself, in the global space of its operations. The article also contributes more broadly to an analysis of the relation between time, power and money showing how monetary hierarchies are produced by the mobilization of multiple imaginaries of time in various power relations.

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Chapter 2

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In the last thirty years in Europe, the United States, and many other jurisdictions, the finance industry expanded its role in the distribution of monetary resources, legitimized by a narrative derived from liberal philosophies, according to which the organization of supposedly efficient markets would generate an optimal allocation of resources for world society. During roughly the same period, after the end of the Cultural Revolution, with a policy called “reform and opening,” the Chinese finance industry, nonexistent in the early 1980s, became one of the biggest in the world. This was accompanied by a legitimizing narrative that combined the liberal discourse above with nationalism, anticolonialism, socialism, a call for economic development, and, lately, sustainability. These two processes are intertwined today, as the Chinese territory has become a center of global manufacturing, affecting not only the United States and Europe but also the rest of the world. This has important implications for the approach adopted in this book, and in this chapter, that takes world society and the issue of inequality in the distribution of monetary resources as analytical starting points.

Financial flows connect people in different areas of the globe, concretely establishing interdependencies and hierarchies among them, across and beyond the juridical and symbolic borders established by states. In that sense, they are a powerful driver of the constitution of world society, as they create a global space of hierarchy in the distribution of money. The

meanings of these hierarchies are multifarious and evolve over time. Changing them may eventually allow for establishing a clearer global agenda setting the political issue of resource distribution at the center of debates. The meanings currently proposed by the finance industry and its regulators (i.e., by the institutions in charge of collecting and distributing money on a global scale) are nowhere near this aim. Understanding them is thus a necessary step to changing them. This poses conceptual and methodological challenges that can only partly be addressed by one piece of research.

From a methodological point of view, this chapter aims to highlight some of the concrete practices whereby these two historical processes come together in the finance industry today. It does so based on research carried out, through interviews and participant observation, with people working for companies in charge of cross-border investment inside the Chinese territory, who use money coming from Europe and the United States to purchase companies based in China and/or money from China to purchase companies in Europe and the United States.¹ These activities imply the conjuncture of different institutional and legal settings, as employees and companies have to comply with rules that are differentiated by the border crossed by the transactions. Through these activities, employees also redefine the meanings of their professional and non-professional lives and the moral and political imaginaries that come with them.

From a conceptual point of view, this chapter attempts to tackle the issue of unequal monetary distribution by following approaches that show that money can have multiple meanings and uses. In her work on West Africa, Guyer (2004) explored a historical process whereby different monetary organizations, with specific scales of measure and moral and political references, came together in creative ways, both shaped by and reshaping social relations of power (Hart and Ortiz 2014). This approach contrasts with others claiming that one main monetary organization, be it “Western,” “colonial,” or, more recently, “neoliberal,” characterized by both homogeneity and political power, imposes itself on a myriad other weaker but resisting practices (Parry and Bloch 1989). Analyses of every-day transactions (Zelizer

1997), of the activities of central banks (Hart 1986; Holmes 2013) or of political and administrative agencies, when they determine the monetary value of love (Zelizer 2005) or of nature (Fourcade 2011), remind us that the so-called West is not a social space with homogeneous monetary practices. Within that often-undefined category (Trouillot 2003), multiple, contradictory, disconnected, labile, and shifting practices of money and finance take place (Dodd 2014). From this theoretical perspective, the same can be said of the institutions associated with what is designated, often also in very vague ways, as “China.”

I consider the border to be both constituted by and constitutive of everyday financial practices. The act of “crossing” itself is generated by two sides of a divide. At the same time, crossing, in this context, as we will see, challenges the border and transforms its regulatory and institutional meanings. I show that employees make sense of their everyday lives through their technical, moral, and political understanding of their place in a professional milieu and of the balance of power in commercial transactions. Conflicting narratives of universality evoke cultural and nationalist views organized around the centrality of states as the main foundation and horizon of future transformations. This chapter shows the importance of institutional arrangements and legitimation in the everyday practices of financial professionals and how these shared meanings are reproduced and transformed. These practices are responsible for the everyday production of global hierarchies. Analyzing them is important for understanding how world society is being made today (i.e., the imaginaries and practices that connect the seven billion of us through the money managed by the financial industry). This analysis aims to contribute to a critique of current financial imagination, practices, and institutions. This is the concrete ground from which alternatives must be explored and proposed.

I will first review the main institutional features and political imaginaries of cross-border investment in China, Europe, and the United States. I will then show how employees make sense of their financial activities in a professional, bureaucratic setting with standardized procedures and how they

make sense of the power relations implied in financial transactions by mobilizing the political and moral references of the institutional setting of which they are part. Finally, I will show how this limited set of common references is produced and reproduced in multiple and labile ways by each employee. I will explore this through the specific example of three interviewees.

Global Financial Flows, Macroeconomic Relations, and Legal Frameworks

Since the mid-1980s, in the United States and Europe (Abdelal 2007; Krippner 2011), the financial industry has taken an increasingly central role in the distribution of money. Privatization and the growing use of stocks and bonds to finance economic activity have brought to prominence investment funds, brokerage houses, rating agencies, and insurance companies, alongside the banks, which have reshaped their own activities to partake in these new developments (Coupey-Soubeyran, Plihon, and Saïdane 2006). The rules of the financial industry have become increasingly important for how states and companies are managed (Fligstein 2001; Sinclair 2005). In the United States, a reshuffle of the financial system in the 1970s was linked to the break-up of the Bretton Woods agreement and to a new balance of power between trade unions, companies, and governments. This ensued in a new organization of the pension system, increasingly run by the finance industry, contributing to exponential growth in the exchange of bonds, listed stocks, and other financial securities (Clark 2000; Montagne 2006). In Europe, the finance industry did not occupy such a central role. Regulatory changes in the 1980s aimed to capture some of the money held as savings by the middle classes, as well as to channel part of it to financial securities in the United States. Yet, the growth of an autonomous and privatized finance industry did change how states were managed, given their increasing reliance on bonds (Lemoine 2016).

Since the end of the Cold War and of the bloody conflicts and dictatorships that it sustained, the finance industry's expansion was fostered by the

International Monetary Fund (IMF) and the World Bank in vast areas, such as Latin America, the former Soviet bloc, and Southeast Asia (Blyth 2003; Pedersen this volume).² This process ensued in the privatization of public services and production of more financial securities to be held by what was now deemed a “global” finance industry (Stiglitz 2006). This latter came to occupy an increasingly political role, officially legitimized by a liberal narrative whereby “technical” changes in the organization of credit, through “markets” where “investors” would meet, would result in an “optimal” allocation of credit thanks to market “efficiency” (Lee 1998; Ortiz 2014a). This discourse was linked to one emphasizing the protection of US and European social security and the idea, inherited from colonial times and reinforced after the Cold War, that Europe and the United States remained the geopolitical centers of the world (Eichengreen 1996).

At the same time, after the Cultural Revolution, the government of China, through the Chinese Communist Party network, created a banking sector that, following China's integration into global commercial circuits, ranks today among the biggest in the world by assets, market capitalization, and profits and constitutes the main source of money production and distribution in China (Zhu 2009). Bonds and stock markets that did not exist thirty years ago have today attained volumes that equal or surpass Europe's. The overwhelming majority of the finance industry belongs, in one way or another, to the state (Hsueh 2011). Its top managers are part of the ninety million members of the Communist Party, as are much of the administration and the economic elite. Many of these companies are listed in stock exchanges in China, Hong Kong, and the United States, a transformation that has been called the “corporatization” of state-owned enterprises as opposed to their “privatization.” With marginal exceptions, nonresidents cannot invest in bonds and stocks within the Chinese territory and residents can only invest small amounts abroad. The Chinese finance industry thereby holds most middle-class savings, investing them in major infrastructure projects managed by state-owned or state-backed companies.

This process, starting in the 1980s, has been central to wealth

distribution within the Chinese territory, reducing poverty and contributing to redrawing inequality and power relations in access to money with the emergence of a richer middle class, composing around 20 percent of the population and of a small super-rich elite almost invariably related to the Communist Party (Davies and Wang 2009). This is today legitimized by several narratives. At the end of the nineteenth century, the creation of a financial system joining “national” private capital and state-backed administration was justified by the importance of using “economic development” to build a “Chinese nation” conceived of in republican fashion against the colonial powers (Wu and Ma 2003; Cheng 2003). These narratives were retained by the Communist Party when it took over in 1949, conjugating them with a discourse about “socialism” and, since the 1980s, the liberal narrative about “markets” evoked above (Hertz 1998; Bell and Feng 2013). In the last few years, the notion of “sustainable” development became increasingly important without displacing the other discourses.³

Since the 1990s, cross-border investment around the world has expanded partly through purchases of bonds and stocks listed in exchanges, as part of regulatory transformations legitimized by and often imposed through institutions such as the IMF and the World Bank. Within the Chinese jurisdiction, the rules concerning the right to purchase bonds and listed stocks, as indicated above, have channeled cross-border investment toward the purchase of companies that are not listed in exchanges. This belongs to what global accounting standards call “foreign direct investment.” Thus, the transactions analyzed here are defined as being part of the constitution of national borders and global rules of the distribution of money in its various forms. “China,” “Europe,” the “United States,” like other categories, are partly constituted by these borders, which are in turn determined in part by financial regulations and their appropriation and transformation in specific practices.

China is the second largest receiver of “foreign direct investment” in volume after the United States, with about \$150 billion coming in a year, a

similar amount going out, and one trillion dollars of compounded investment having entered the territory since the early 1980s. This might be compared to the outstanding amount of around \$7.7 trillion levied in bonds in China or to over \$20 trillion in assets held by banks, an amount that has more than doubled since 2008. In spite of the relatively small amounts of cross-border investment, it occupies a particular place in the macroeconomic organization of credit by central government. Since most Chinese banks tend to lend to big companies and since foreign investment companies are virtually barred from purchasing listed stocks, cross-border investment appears as one way for small Chinese companies to find funding outside the banking system. It is also an important way for big Chinese companies to purchase companies abroad.

Companies, Employees, and Procedures

The people I met worked for companies who specialized in purchasing, partly or in whole, small and medium enterprises (SMEs) based in China, with money coming from the United States and Europe, or purchasing SMEs based in the United States and Europe, with money coming from China. Some companies specialized in both types of transaction, called “inbound” and “outbound” investment. This is done through two types of organization. Investment funds in private equity and venture capital look for small companies that can be reorganized and can use the investment to expand and eventually become big enough to be sold to others, usually in the form of an Initial Public Offering (IPO) on a stock exchange. These investment funds collect money from other financial institutions and usually only purchase a part of the company, but one big enough for them to exert control over management. Private equity funds tend to buy already-established SMEs, while venture capital funds concentrate on start-ups. The other type of organization consists of consultancy companies for mergers and acquisitions (M&A), which serve as intermediaries when one company buys another,

usually for the purpose of integrating its operations, patents, client base, or other “assets” into its own. I will concentrate on “inbound” investment to China, because this is what most of my interviewees worked on at the time of the research presented here, between 2011 and 2015.⁴

Even though their aims may be very different, these companies often operate in similar fields. “Target” companies of a private equity fund can also be interesting for a bigger company working in the same sector. And private equity and venture capital funds can attempt to resell the company they purchased a share of to a bigger company, through M&A instead of the stock exchange. The sectors and sizes of companies are similar for all these transactions. In China, they concern companies considered to have growth potential linked to the future evolution of the Chinese economy, in particular in sectors linked to the growth of middle-class consumption, such as health, education, leisure, and high technology. In the United States and Europe, purchased companies usually operate in high technology, which Chinese companies are interested in importing to expand within China and worldwide.

The methodologies of valuation and investment are also similar. In all cases, employees are expected to conduct a financial valuation of the company according to the same standardized methods taught in business schools and finance departments, formalized as the mainstream financial theory that has become dominant in the United States and Europe in the last forty years (Whitley 1986; MacKenzie 2006). Employees are expected to do this from the point of view of an investor seeking to maximize returns, according to commercial and labor contracts that specify that this is how clients' interests (either the selling or purchasing company or investment funds) are best represented. Not applying these techniques can lead to losing one's job or even to legal suits and jail. The career trajectory, income volume, and prestige of each employee is in great part defined by his⁵ ability to apply these procedures and increase revenue for his company. This revenue usually comes in the form of a fee, calculated in two ways. In all cases, “operating fees” are charged along the way, ensuring a minimum return that

pays salaries, and “success fees” are charged once the transaction is concluded, from which bonuses are distributed among employees. Success fees are calculated as a proportion of the transaction, in the case of M&A, and of the profits of the resale, in the case of private equity and venture capital. While investment fund employees are pushed always to buy cheap and sell high, those working for M&A consultancy firms may try to buy cheap, if their client is a purchasing company, or to sell high, if the client is a target company.

As happens elsewhere in the finance industry (and not only there), within a single financial company employees develop relations of complementarity, competition, and hierarchy (Abolafia 1996; Zaloom 2006; Godechot 2007; Ho 2009; Ortiz 2014b). They have to work together on specific projects, but they also must compete against each other, inside the company and within the financial industry, since the next step up may be to a competing company or in a related sector. In that sense, the skills demanded for employees in private equity, venture capital, and M&A may not always be too different, and employees can move within these structures in their careers. In all cases, even if these companies are small, they are bureaucratic structures, bound by financial regulations and the fact that often they themselves belong to bigger financial companies, of which they are a subsidiary created to develop this particular activity. The diversity of situations may be explored through three specific cases. Mr. Jones⁶ was the head of a venture capital fund, in a major city on the eastern coast of China. He oversaw investment in very small companies, which would eventually be sold to other companies or through IPOs after five years, during which he and his team would contribute to their growth with investment and consulting services. He obtained a diploma in engineering in Western Europe, where he was born, and continued his studies in China in the early 1990s, later obtaining a PhD in physics in the United States. He had spent the last eleven years in China, when I interviewed him in 2014. The fund he directed had money coming from different institutions, in particular from the municipality where the fund was based, and from state-owned investment funds in the Middle East. His everyday working life mainly

consisted of looking for companies to purchase, through formal and personal networks, and negotiating the price to be paid, according to the standards he had learned when he was living in Silicon Valley. An important part of his job implied participating in the management of companies already purchased, providing them with access to commercial networks, technology, and further funding. His income was split between a fixed salary and a variable bonus that depended on the profit made by selling the companies he invested in. He spoke of his company as “we” and planned to work in this field in China in the coming years.

Ms. Li was born and grew up in China. She studied finance at one of the most prestigious Chinese universities in the 1990s and obtained the US-based, internationally recognized diploma of Chartered Financial Analyst, given by the relevant professional association, which is very active in establishing regulatory and professional standards in the United States.⁷ She worked as a chief financial officer for international companies in China and, when I interviewed her in 2013, she was a partner for one of the four major auditing companies in the world, whose global base was in the United States. As a top manager, she oversaw many mergers and acquisitions, in which she worked as a consultant, in particular for the valuation of assets bought and sold by her clients. Most of her daily professional life involved overseeing financial accounts, industrial sites, and documents that made up the tools to provide a price range that could be used by her clients either to sell or buy. As a partner, she was also expected to bring new clients to her company and part of her professional life also implied engaging in social relations that could help her meet potential clients and convince them to work with her. Her income was composed of a fixed salary and a bonus linked to how well her company was doing and to the income she brought in by attracting new clients. Like Mr. Jones, she spoke of the company as “we” and planned to stay in it for the foreseeable future.

Mr. Martin was the chief financial officer of Steel Inc., the Chinese subsidiary of a midsized industrial group established in Western Europe. A citizen of a European country, he had spent most of his life working in the

financial departments of industrial companies in different European countries. When I met him in 2012, he had been working for five years in China and was about to retire. One of his last major operations as an employee was to purchase Stone Inc., a subsidiary of a company owned by the municipality of a major city on the eastern coast of China. Steel Inc. produced similar but higher-quality products to Stone Inc. and the acquisition would serve multiple purposes. It allowed the European company to set foot in China, using the commercial network already established by Stone Inc. It also allowed it to propose a wider range of products, with different qualities and prices. The mother company of Stone Inc. was interested in selling its subsidiary, according to Mr. Martin, because it was concentrating on its main activities, of which Stone Inc. was not a part. Mr. Martin's salary was not going to vary with this transaction and this kind of operation was simply part of his normal job. He had to use the services of a renowned consultant for valuation of the assets and his own expertise in financial analysis to influence the Europe-based top management of his mother company, itself bound to the rules of the stock market where it was listed. Since Mr. Martin was about to retire and the operation had already taken place, he spoke about it with some distance. Unlike Ms. Li and Mr. Jones, he did not identify with his company, which he was about to leave and where he had spent a relatively small fraction of his adult life.

These three examples hint at the diversity of cross-border transactions when seen through the organizations that carry them out, the aims of the transactions themselves, and the trajectories of the employees, who can develop very different emotional relationships with their everyday work. At the same time, for these employees, the diversity is articulated with common methods of valuation and investment, which they share from their education and the professional standards they have to comply with. These methods determine what information is and how it should be treated through standardized forms of reasoning and mathematical formulas. They are fundamental if employees wish to retain their jobs and advance in their careers, and are supposed to organize how money crossing the border is

distributed through investment operations. These transactions imply negotiation of the rights and duties of interested parties, including the price that is paid for an exchange of ownership. For these employees, the balance of power in these negotiations made sense as part of an institutional, political, and moral setting.

Financial Transactions as Power Relations

The purchase of companies occurs within particular temporalities and regular forms of interaction. The process is usually marked by important moments when parties sign contracts and agree on the next step, before the actual exchange of money for property rights. This exchange calibrates tension between the parties, since all employees agree that they have a common interest in realizing the transaction and share official mistrust, since each side may want to manipulate or hide things. According to all interviewees, in M&A operations less than half of those officially started come to a conclusion. In private equity and venture capital, less than one in ten prospected companies end up being bought. The balance of power can favor either side and change sides during the transaction. The purchaser may bring money that the seller company is looking for, but the latter may have assets that are hard to find elsewhere. Usually, the purchaser wants as much information as possible about the target company before the transaction is concluded, but this may only be negotiated at the latter's own rhythm. It may demand proof of engagement by the purchaser, for instance by agreeing on a “target price,” before disclosing information that could be used for other purposes, especially if the transaction breaks down. Confidentiality clauses, exclusivity periods, target prices, and the rights and duties of each party are specified in contracts that constitute important landmarks in a process lasting between three months and more than a year.

The employees I met stressed that transactions are always marked by negotiations concerning at least two interrelated topics: the legal rights and

duties of each party during and after the transaction and the price. SMEs are usually located in one place and can develop close connections to local political and legal authorities, in particular if the managers are members of the Communist Party. The relationship can be even closer if the SME is a subsidiary of a larger state-owned company. Interviewees stressed that, if the purchase of an SME distances its previous managers from the company, the latter may actually not only lose its commercial connections, but may have to face renegotiation of licenses and even property rights of the land on which it stands. These potential tensions are intertwined with discussions about how to calculate the price of the SME. The interviewees' professional norm is based on standardized methods taught in business schools and the finance departments of universities in the United States, Europe, China, and many other places. These methods are multiple and do not lead to similar results. They can define the “market value” of a company's assets, considered as the sum of the sale price of its assets or as the cost of replicating the company, for instance by buying the land, machinery, patents, etc. They may consider the “relative value” of the company, comparing it to similar companies that have either just been sold or are listed in stock exchanges and who therefore have a “market price” for their shares. Finally, a third, more legitimate method holds that the price of a company must reflect the value of the future revenues an owner should obtain from operating it. These revenues should be discounted at an interest rate “reflecting” the “cost of funding” the investment and the “risk” that it may not work. This is called the “discounted cash flows” method of valuation (Ortiz 2014b).

Interviewees assert systematically that in most transactions, the sellers of SMEs in China do not accept the discounted cash flows method and prefer valuation according to assets and by comparison. Discussion of the price to be paid is of course concerned above all with the purchaser's attempt to buy cheap and the seller's to sell high. Valuation methods, then, work partly as a common language for exploring the investment potential of the target company, involving the current market value of assets, the prices of other companies, and the money that could be earned in future. These items would be raised

through using common formulas for calculation and rationales of analysis that orient the explicit outlooks of the two parties. Yet, according to my interviewees, this opposition is made harder to manage in many cases by the failure of the two parties even to agree on how to discuss the price (i.e., on the method of valuation that defines the object of the transaction). This tension about methods of valuation becomes particularly important for companies that are legally bound by regulations concerning investment in the United States and Europe. Discounted cash flow methods may be considered by a judge in the United States as a legitimate way to dispose of shareholder's money. An employee or a company may be brought to court for having conducted the transaction through the wrong use of method.⁸ In China, this is not the case. Besides, the State-Owned Assets Administration and Supervision Commission (SASAC), the agency managing state-owned assets in China, even though it recognizes all mainstream methods of valuation in its statutes, tends to insist on valuation of sales according to the price of assets, reinforcing what appears to be the legitimate professional standard. The balance of power would be described differently depending on the aims and position of the company in a transaction. These, in turn, made sense for the employees depending on where the transaction is in the macroeconomic, legal, and political space in which they are operating.

Mr. Martin explained that in the purchase of Stone Inc. he was dealing with the managers of the parent company as well as with those of its subsidiary. Both were vying to present the operation as a great sale, to foster their careers in the company and within the Communist Party, to which most of them belonged, as do many top managers of state-owned companies. Besides, since they were under the supervision of SASAC for the sale, they also had to comply with that administration's specific rules. This meant, according to Mr. Martin, that the price was only partly negotiated with the managers of the selling company. The latter insisted that valuation be made according to the market value of the assets of the company, which comprised land and factories. He explained that this was problematic since his company, Steel Inc., was listed on a European stock exchange and

financial analysts would examine the details of the deal. So he had to justify a high price through the methods of valuation that he favored. Mr. Martin remarked that he found part of this approach “incomprehensible” and in particular he considered that the land on which the company was based was only partly an asset for the purchaser, because it was never too clear how that land had been acquired by the target company, since this was often done half-legally, when the municipality changed the status of agricultural land into land available for industrial purposes in the 1990s. Permission to stay on that land would only hold for as long as there was a good relationship with the municipality. This, according to him, explained why the purchase was actually a joint venture, in which the former management stayed in place. Yet, this meant that there were two CEOs in the company, Chinese and foreign. The Chinese CEO would hold meetings closed to employees who were not members of the Communist Party, where things would get decided that the foreign employees, including the foreign CEO, had little say on.

Ms. Li's employer, one of the “Big Four” auditing and consultancy companies in the world, was officially one of the major sources of global standards for valuation, accounting, and management. For her, the conflict between methods of valuation was mainly cognitive. While some companies' management had learned them, others had not. Her job was partly to provide her expertise in applying the right methods. This did not preclude power differences, but oriented them toward the concrete distribution of rights and duties when money is exchanged. For her, this meant that in China, any transaction “normally” required the counter- parties to understand each other's political backing: “normally ... before you choose the partners you are dealing with, you definitely need to look at or check their background, right? ... You can't just go blindly into the market, without knowing who your partners are and how powerful they are, because all these things will affect your bargaining power when you are dealing with them.”

In the profession, it is accepted that valuation methods for venture capital are extremely uncertain, because the bet is that the business of the

purchased company can expand dramatically in a short time. For Mr. Jones, strength in negotiations when purchasing a small company's shares depended on how much money and support he could offer. In his case, negotiating power was high, thanks to state-owned funds backing particular sectors, such as renewable energy and clean technology that were targets of official government policy. He explained that the municipality's support went beyond the money invested in companies, since it also secured for start-ups a wide range of offices and labs next to a major technical university. This would foster interaction between scientists and the start-ups and enhance the latter's creativity. He considered that his model of investment used the best practices of Silicon Valley, which he knew from studying there, with significant funds provided by Chinese state authorities for strategic targets. He compared this to the European country of his birth: there “the state” intervened “too much” in this kind of investment, since it demanded that people working for start-ups with municipal backing employ only its own nationals. In contrast, the start-ups he invested the fund's money in could employ people of any nationality. He thought that this Chinese city could attract young people from Silicon Valley, offering better conditions for their start-ups and the thrill of being in China, a place with much better prospects for economic growth in the future and also one that could be more fun than most small cities in the United States, especially for scientists in their twenties.

The balance of power in the transaction was shaped by the distribution of rights and duties and the price. Technical aspects of valuation were mixed with legal and organizational issues with which employees were more or less acquainted or comfortable. These tensions made sense in terms of the legal and regulatory border that divided China from the rest, in particular from the United States and Europe, often bundled together as the “West.” This border became a technical financial issue, but one that made sense only in connection with moral and political understandings of finance.

Finance, Identity, Morals, Politics

Mr. Martin, Ms. Li, and Mr. Jones use the same references as other professionals that I interviewed, but in different ways. These can also be found in the official discourses of institutions such as the People's Bank of China and the IMF, in professional financial reports, and in the popular and specialized media. Different understandings of power relations and the role of professional standards of investment and valuation in negotiating the rights, duties, and price of a transaction were shaped by an employee's position in the process. They involved expressing more or less explicit and consistent moral and political interpretations of the financial practices themselves, where the border the money was crossing became a focal point, which defined the global space where that border was situated.

For Mr. Martin, the conflicts before, during, and after a transaction showed that the “Chinese” were marked by “socialism” and “Leninism” and could not be trusted, unlike the respect for the rule of law and transparency typical of “the West.” He thought valuation procedures had been shaped by rationales imposed on him, without any respect for what he considered the correct way to conduct them. He had had to struggle with the top management of his company in Europe, who did not understand the conditions of work in China and still had to “learn” to adapt to the new environment, in particular because he did not expect the “Chinese” to change. Elaborating openly on his own political conservatism concerning debates in Europe about how to deal with the financial crisis, he worried about the decline of Europe in contrast to China's geopolitical growth.

Ms. Li spoke of China as “we,” but distinguished between different Chinese companies and professionals. On the one hand, the “international” Chinese companies were no different from other non-Chinese multinationals: they followed the same standards of valuation and investment that she applied as consultant in her job. These companies were much more “sophisticated” than smaller companies that did things “from a local perspective.” For her, the former had learned to adopt international

standards as their experience abroad grew. This was an inevitable process that would eventually encompass the whole of China. According to her, the standards of valuation and management that she upheld in her job were indeed “universally applied.”

For Mr. Jones, the money mobilized by his fund signaled the superiority of a Chinese approach to long-term investment, innovation, and sustainable growth that would propel China to a more powerful position internationally. He was happy to be part of this process. He explained that when he left China to do a science doctorate in the United States, he did so “as a Chinese,” since at the time, the United States was not a pole of attraction for European students, but he learned from his student friends in China to be fascinated by it. After that, he went “back” to China. He has remained there ever since and expects to stay at least for the rest of his professional life.

Conflicts about methods of valuation and investment were partly understood as the opposition between different technical definitions of the transaction's object. These tensions were also usually related to the participants' “national” or “cultural” identities, with distinctions between the “West” and the “Chinese” or between the “sophisticated” and the “uneducated” (sometimes “old”) “Chinese.” The supposed technical superiority of these standard professional methods of valuation was incorporated into moral and political interpretations of the institutional settings where they were applied. The idea of “efficient markets,” “states,” “socialism,” “sustainability,” and “economic development” articulated these contrasts. Financial methodologies were thus understood as markers of identity, themselves related to the propositions of nation- states, within imagined futures where the two sides of the border would clash, mix in a hybrid, or be eventually unified by the victory of one side over the other.

These narratives were elaborated in interviews, where the participants explored meanings in different registers – of authenticity, justification, established narratives, deceit, and concealment – in a professional milieu where there is a consensus about not “disclosing” sensitive information, especially concerning deals that are ongoing. Their references do not

constitute a coherent whole; on the contrary, they are fragmented, contradictory, and labile. But in all cases, the meanings explored help employees to make sense of their operations, for themselves and others, thereby making sense of their own life trajectories as they pursue them. Interviewees may be contradictory; as when Mr. Martin complains about the failure of the “Chinese” to use mainstream formulas and claims at the same time that his “European” management should learn to deal according to their rules. Ms. Li claims that SMEs do things “from a local perspective,” but the methods she upholds are “universally applied”; and Mr. Jones says that European states intervene “too much” in venture capital operations, unlike the state-backed project that he works in. Their notions of identity, of “China” and the “West,” of the institutional settings in which they work, are fragmentary and labile, shifting according to a moment of the conversation. What Mr. Jones refers to when he says he went to the United States “as a Chinese” may not be what Mr. Martin has in mind when he evokes “socialism” or what Ms. Li designates by “we.” But these notions themselves can shift in the course of an exchange and financial methodologies play an important role in stabilizing their meaning. Thus, financial valuation for investment purposes is a potential marker of identity in the professional and nonprofessional trajectories of the employees in charge of cross-border investment. By making sense of their everyday operations in these multiple ways, employees both re-produce and transform the idea of a border; the imaginaries of finance are at once technical, moral, and political (Ortiz 2013).

In spite of their diversity and plasticity, these narratives explore similar references and remain within the limits of ideas about nationality, state, market, professional standards, and the globalization of finance. They situate financial operations within emotional and rationalizing repertoires that are technical, moral, and political, being concerned with the soundness of operations, the moral value of participants, and the fairness of the outcomes of transactions, both where they occur and in the world at large. This locality can be a small city, a province, a whole country like “China,” or an even bigger and undefined geographical area like the “West.” In all these cases, the

border crossed by the transactions that these employees oversee is a marker helping them to make sense of their activity. Other examples would show different results, while mobilizing very similar narratives. These employees appropriate and thereby reproduce, transform, and disseminate these particular imaginaries, both rendering them more complex and preventing other meanings from entering the space of possibility.

Conclusion

I have explored how employees carrying out cross-border investments in China make sense of their everyday practices, combining narratives about their own personal trajectories, about financial techniques and controversies, about organizational rules within their companies and between companies, about macroeconomic relations, about states and regulatory frameworks, and about a global space understood to be in a process of being unified, but with different horizons. Narratives that are formalized by political and regulatory institutions mostly encompass how these employees give meaning to their own activities. Yet employees are not merely repeating official discourses as if these are simply the echo of formal professional milieus. These discourses are multiple, fragmented, and contradictory, and employees, like official reports, combine them in varying ways. An interview is one moment to rework them in labile ways. In most such discourses, “states” are opposed to “markets” and “national” and “cultural” identities are mobilized to problematize the technical, moral, and political meanings of cross-border investment. The borders are appropriated and recreated, in a movement where crossing both reasserts their existence, but also appears to challenge them. For these employees, allocating money to clean technologies, retaining power within the network of the Communist Party, or adopting international standards are all technical, moral, and political at once. As in the West African cases reported by Jane Guyer, employees redraw the definitions of what is morally and politically right in financial terms,

reaffirming the fairness of social hierarchies that result from their professional practices. This kind of research reveals the complexity of the production of world society through financial interdependencies in the everyday of the financial industry. On the one hand, the observation of everyday practices and discourses shows both the importance of grand narratives about financial globalization, and the fact that these discourses do not operate as they are meant to when they are presented as formal consistent wholes. On the other hand, what these observations highlight is that other imaginaries about a fairer distribution of monetary resources are excluded. The integration of the Chinese financial system comes with official discourses about socialism and sustainable development in an institutional space that, in Europe, the United States, and many other places, is articulated around the liberal narrative concerning the centrality of markets for social justice. Yet, this is made within nationalist discourse and the status quo about the current concentration of power in the distribution of resources in Chinese territory. This shows both the contents and the limits of the financial imagination proposed in the financial industry.

This raises the question of the status of the main narratives mobilized by these employees in anthropological discourse. Using the talk of “states,” “markets,” “investors,” and “value”; of “national” and “cultural” identities such as “Chinese,” “Western,” “European,” or “American”; and conducting analyses of political systems and macroeconomic policy, they mobilize terms that echo the analytical categories of anthropology and of disciplines with which anthropologists must converse in order to study cross-border investment – macroeconomics, political science, history, and sociology. Anthropological reflexivity implies not using these categories analytically, but understanding them as how the people we study make sense of their own practices. This would be a precondition for proposing critical forms for imagining the global and the fair distribution of the money that could constitute it.

Notes

1. This chapter is based on approximately forty interviews with financial professionals working in Shanghai, Beijing, and Hong Kong, most of which were directly concerned with cross-border investment; as well as on short-term participant observation between 2011 and 2015 with two consulting companies, based in Shanghai, conducting mergers and acquisitions between China and Western Europe. This is part of broader fieldwork-based research on the financial industry, first carried out in the early 2000s with stockbrokers, hedge funds, and fund managers in New York and Paris and continued by obtaining a diploma as a financial analyst and doing research in business schools in Paris and Shanghai between 2008 and 2014.
2. See Muller (2006) for Brazil, Reddy (2009) for India, and Amyx (2004) for Japan. In 2011, when the United States and European banking systems were in serious difficulties and Chinese banks were untouched by the crisis, the IMF issued a report saying that the latter still needed to “reform” – i.e., to privatize and come closer to the neoliberal ideal espoused by the institution (International Monetary Fund 2011).
3. See for instance the official declaration published after the Third Plenum of the Chinese Communist Party in 2013, where all these references are repeatedly bundled together.
4. The amount of outbound investment has been growing in recent years and in 2015 it could eventually surpass that of inbound investment, but most of my observations occurred before this change.
5. Since most positions of power in global finance are held by men (Fisher 2012; Ho 2009; Roth 2006), I use male pronouns when speaking of employees in general. Using female pronouns could indeed have the counterproductive effect of erasing this gender bias.
6. As agreed with the interviewees, all the names of persons and companies have been changed to preserve their anonymity. I only use quotation marks for the words that I want to highlight, since these examples draw on

quotations throughout.

7. This diploma may be obtained by passing exams in China.
8. Cf. the decision of the Court of the Chancery of the State of Delaware, 8 July 2013, in the case of Merion Capital L. P. et al. vs. 3M Congent Inc.

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Chapter 3

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This article proposes to analyze global financial flows based on fieldwork carried out in a consulting company working in the domain of cross-border mergers and acquisitions in Shanghai. Marcel Mauss highlighted the fact that exchanges within and among social groups have multiple co-constituted meanings, which are, among other possibilities, economic, moral, political, and religious. The hierarchies within and between groups, constituted with those meanings, are thus both determining for and transformed by the objects exchanged and the modalities of exchange. Mauss thus stressed that the idea that the “economy” should be distinguished from the “political” or “religious” domains is itself part of a particular moral, political, or religious imaginary (Mauss [1923–24] 2016; Hart and Ortiz 2014; Sahlins 2013). This insight was central in Karl Polanyi’s analysis of the political process establishing the “market” as an institution that would be separated from other social institutions ([1944] 2001). Michel Foucault showed how the theoretical formalization of this process by ordo-liberalism attempted thus to separate the “economic” from the “political,” constituting the “market” as an institution with a technical character that would guarantee a distribution of resources, the justice of which would be politically neutral, and therefore politically undisputable (2004). Within this theoretical orientation—central in neoclassic economics and in financial regulation worldwide—money is considered as a technical medium that allows for exchanges in a “real economy,” of which it is not a part. Jane Guyer (2016) shows,

on the contrary, how the term *real economy* is mobilized with different meanings, reactivating certain “legacies,” which must be understood as part of a political configuration, where the term plays particular roles in relations of forces. *Economy* can therefore be a slippery analytic concept, especially when one is doing research on practices that actors and analysts readily define as “economic,” with all the potential of de-politicization this implies. To explore one of the ways in which this can be avoided, this essay proposes to consider global finance as an object of political anthropology.

In line with the Maussian insights highlighted above, this text considers that the meaning and uses of money are multiple, and relate to the social relations in which they take place (Dodd 2014; Guyer 2016; Hart 2000; Hart and Ortiz 2014; Maurer 2006; Zelizer 2009). This implies that money is defined by these social relations, but also contributes to define them in turn: gifts, debts, and expenses partially define kinship and friendship (Zelizer 2005); monetary policy contributes to define and legitimize a polity, its citizens and social hierarchies among them (Hart 1986; Hertz 1998; Neiburg 2006); indemnities imposed by the state against polluters shape conceptions of nature (Fourcade 2011); money rituals define the attributes of gods (Chu 2010); and consumption practices (Stark 2011) and budgetary disciplines (Zaloom 2016) can establish the standards of religious morality. Approaching these practices through this understanding of money allows for seeing how, as Mauss highlighted, different meanings and uses of money—which correspond to mutually constituted religious, political, and moral hierarchies established through the distribution of resources—can be combined in multiple ways, with conflicts, conversions, and the production of hybrid or new meanings in the process (Guyer 2004). Guyer (2016) has proposed to consider these sets of practices and meanings as a multiplicity of “repertoires” conforming “ecologies” navigated differently by different actors, in what are often (but not only) power relations (on this point see also Maurer 2015). I will use here the term *imaginaries* to talk about these repertoires, only to hint slightly more at their creative and labile character, as they can be vague, wavering, and not even recognized as changing by the actors themselves (de Certeau [1980] 1990).

This pragmatist approach (Maurer 2006) eschews the idea that money would be the representative of one particular form of practice or social relation, be it relations of production, as in the Marxian tradition, of exchange, as in the liberal tradition, or some universal moral idea, as proposed, differently, by Georg Simmel ([1900] 1978) and Mauss himself ([1923–24] 2016). In very different ways, all these approaches tend to stress what money “really” is, in a way that relates then to some definition of the “real economy.” In the anthropology of finance, this can lead to considering finance as “fiction” or to focus on the sole issues raised by these approaches, such as relations of production or matters of calculation, knowledge, and information. The danger in this move is that the distinction between the “real” and its “other” may obscure the social processes in the latter that are crucial for the former.

One of the seeming advantages of these approaches of money and finance from the point of view of a “real economy” is that they often imply a much broader conceptual frame, which also contains a series of concepts and narratives providing for a political critique of the social processes under study. Pragmatism does not grant a politics warranted on a single reality. Instead, the “political” aspect of finance proposed here is itself termed along some possible uses of money that may allow for addressing a limited series of concerns. As money is constitutive of imaginaries of gender, kinship, religion, citizenship, and entrepreneurial profits, among others, it is also fundamental in the production and transformation of the social hierarchies that make sense according to them. Analyzing the multiple meanings mobilized to make sense of transactions such as mergers and acquisitions allows for understanding how this distribution of resources does not belong uniquely to the constitution of financial social hierarchies, but also to the constitution of political and moral relations of forces that cannot be separated from the former. As a series of organizations that collect, produce, and distribute money on a global scale, the finance industry ranks activities according to multiple conditions, rights, and duties, allowing some of them to exist at the expense of others. Thus, it articulates relations of forces that contribute to the production and transformation of the multiple social hierarchies where money plays a constitutive

role, on a global scale (Hart 2015; Ortiz 2015). This use of the category *political* connects, thus, with Georges Balandier's definition of political institutions as those that organize relations of forces (1967), and Foucault's analysis of power as the production of differences in the capacities to act (1975, 1976). The political anthropology of everyday financial practices proposed here consists in studying the multiple repertoires that contribute to the production of these social hierarchies.

The research presented in this article is based on ten months of participant observation with a team of consultants based in Shanghai, conducting mergers and acquisitions (M&A) between Western Europe and China, and about fifty interviews with financial professionals, mostly concerned with cross-border investment, in Beijing, Shanghai, and Hong Kong.³ Analyzing the way in which they channel money from a large corporation based in China to a medium-sized enterprise in Europe, through the purchase of one of its subsidiaries, this article highlights how the imaginaries of profit mobilized in the negotiations, calculations, and establishment of rights and duties in the deal were actually multiple, and how they also combined with different imaginaries of the state and cultural identity. These imaginaries, often vague, co-constitute each other, but can also be in conflict and disconnected. Thereby, this article shows not only that it is important to analyze financial calculation practices within other social processes—in particular personal professional and nonprofessional trajectories, organizational issues, legal issues, stately and macroeconomic concerns, and imaginaries of the global (Montagne and Ortiz 2013)—but also that the imaginaries about “profits” are co-constituted with those about “states” and “culture,” in ways that cannot be disentangled in everyday practice. Doing so, the article shows the fruitfulness of the pragmatist approaches of money outlined above to understand the practices and meanings whereby money is distributed around the world through these particular operations. The social hierarchies established through these exchanges make sense in terms of “states,” “culture,” and “profits,” the limited possibilities of which are combined and transformed through the everyday practices described here. The analysis of these

³ Previous research was conducted with stockbrokers and fund managers in New York and Paris between 2002 and 2005, and in business schools in Paris and Shanghai between 2008 and 2014. In agreement with the people I observed, and to respect their anonymity, all names have been changed

practices thus allows for locating the politics of distribution within these multiple imaginaries, instead of limiting it to problematizations in terms of the “economy.”

The article will first show the multiple imaginaries of “profit” that were mobilized by the people observed, as they conducted a transaction that lasted more than two years. I will then analyze the importance, in the process, of imaginaries of “states” and “cultures.” In the conclusion, I will come back to the complex relations between these imaginaries, and the question that they raise for a critical and reflexive pragmatist approach of finance as an object of political anthropology.

Imaginaries of profit

The jobs and income of Merge Consulting employees and owners depended on their capacity to attract clients whose service fees comprised the company’s yearly sales of about 3 million euros. These fees came from different companies for different activities, and were distributed within Merge Consulting according to professional standards that comprise relations of collaboration, conflict, and hierarchy between people and between organizations. In professional finance, monetary gains can have multiple moral and political meanings, linked to the presuppositions embedded in the formulas and procedures (Maurer 2002; Muniesa et al. 2017; Ouroussoff 2010; Ortiz 2014a; Zaloom 2006) to organizational rules (Arjaliès et al. 2017; Godechot 2016; Ho 2009; Ortiz 2014b; Zaloom 2006), and to the macroeconomic and political context in which they operate (Hart and Ortiz 2014; Ho 2009; LiPuma and Lee 2004; Montagne and Ortiz 2013). In the case of activities such as those of Merge Consulting, “profits” meant different things, within several imaginaries about personal trajectories, organizational power relations, notions of entrepreneurship, and circuits of debt and credit with multiple more or less defined rights and duties and the possibilities to circumvent them, as they were claimed in conflicting ways by various stakeholders. I will present a transaction whereby a large company based in China purchased a small company based in

Western Europe,⁴ because it will allow us to see how these multiple imaginaries could be combined, opposed, or unrelated, as they were produced in particular situations.

Merge Consulting was composed of ten people. Four associates (who owned the company) and four employees were based in a mid-sized town in Western Europe, Villagiund, while two employees were based in Shanghai. The main source of income of the company came from its services as consultant in mergers and acquisitions. The client, a potential purchaser or seller, would pay Merge Consulting to find a counterparty in the transaction, and to assist at all the stages of the negotiation until the closing of the deal. In accordance with professional standards, clients paid “operating fees” upon completion of intermediate tasks, such as finding and establishing relations with potential counterparties and negotiating the price and the conditions of the purchase—for instance, in terms of the rights and liabilities of former owners or of potentially remaining management. These tasks could take between several weeks and more than a year and, according to the opinion of many interviewees in the profession and of Merge Consulting’s members, usually less than half of the transactions that were started did reach completion. Once the transaction was concluded, Merge Consulting would be paid a success fee, potentially much bigger than the operating fees, of between 3 percent and 5 percent of the amount of the transaction. While operating fees usually were around 100,000 euros, distributed over a long period of time, the sale or purchase of a company valued at 10 million euros would imply payment of a success fee between 300,000 and 500,000 euros in one installment. This impacted the bonus distributed hierarchically within Merge Consulting, where the yearly salaries of financial analysts and the representatives of the company in Shanghai were between 40,000 to 60,000 euros and those of associates around 100,000 euros.

The company was established in the late 2000s in Europe, where it conducted most of its activities. In 2012, in order to develop its operations in China, the company hired Peter, in his late thirties, who had arrived to Shanghai from Europe

⁴ In what follows, when I use the terms China and Western Europe without brackets, I refer to the territories

two years earlier. When Peter decided to leave the company in 2015, I replaced him partially—as an external consultant in Shanghai—for ten months. During that period, one of my tasks was to assist in the purchase of one of Merge Consulting’s clients, Bolbus, a small company producing medical molecules and devices based in Western Europe, by Alpha, a large company based in China, producing chemical and medical products. The transaction was eventually completed at a price of 15 million euros, which were paid to Bolbus’ mother company, Calcus. This transaction allows for seeing how the members of Merge Consulting and the owners and representatives of these companies mobilized different imaginaries of profit.

The interactions between the members of Merge Consulting based in Europe and those in Shanghai were made of a daily stream of emails and regular conference calls, which happened at least once a week, and sometimes more, in particular when transactions reached moments that were considered to be crucial. The members based in Europe also came to Shanghai at least once a year, and, at the time of my observations, a trip to Europe was being planned for Vicky, who was previously Peter’s assistant and who replaced him as head of the Shanghai office after his departure. In these exchanges, there were moments of misunderstanding that allowed for margins of play and clarifications that shifted the terms of the relations. But concerning the transaction, there was a clear agreement among all the members that they wanted the deal to be completed as soon as possible. All operating fees had already been paid the previous year, and any action by Merge Consulting on this project would only be funded in the event of a success fee. This would also be the first deal concluded with a Chinese company, and it could be used in marketing material to expand business. Merge Consulting had explored several potential buyers, and reached the final stage of the exploration with two of them. This meant the signing of confidentiality agreements between the potential buyer and the seller, so that the latter would disclose information deemed sensitive and confidential about its operations. Before the final negotiations that could ensue in the agreement of the price and conditions of purchase, the professional norm was that the representatives of the companies would meet personally. Just before the summer of 2015, the owners of Calcus and Mr. Hecks, head of Bolbus, came to Shanghai to

meet the representatives of two potential buyers. While the way fee payments are organized presupposes that they “align the interests” of the consultancy with those of its clients, once the last stage is reached this turns into an explicit tension. The owners of Calcus did not want to sell Bolbus at just any price and under any condition, and although they wanted the transaction to take place, they preferred to go slower. The two days spent in Shanghai by Merge Consulting’s clients were thus marked by a tension not only between the representatives of the buying and selling companies but also between Merge Consulting and its client.

The morning of the meeting, Vicky, Peter, and I met two owners of Calcus and Mr. Hecks in their hotel, and took them to the headquarters of Alpha, one of the two potential buyers, situated in an industrial park on the outskirts of the city. The first three hours involved an exchange between the representatives of the companies, mediated by Merge Consulting, followed by a lunch and a visit to Alpha’s premises. At the negotiation table with representatives of Alpha, the owner of Bolbus who conducted the talk insisted on the idea that theirs was a family business; for the owners it was important to ensure that the sale of Bolbus would not create a difficulty for its employees and management, for whom they cared personally. They explained that the head of Bolbus, Mr. Hecks, had worked in the company for decades, and was practically part of the family. The presentation then shifted from the insistence on the morality of family entrepreneurship to presenting a particular arrangement for the deal. Mr. Hecks had worked in China for the last thirty years, and had established other companies there, some that were unrelated to Bolbus and some that had direct dealings with it. Calcus’ proposal was that after the sale to Alpha, Mr. Hecks would continue to be the head of Bolbus, and that his own companies would still benefit from the contracts with it. Mr. Hecks then explained at length that the sale would help him to “spend more time in China”—in particular, to continue developing his personal businesses there, with and without Bolbus. He conducted most of the discussions with the representatives of Alpha concerning the qualities of Bolbus, staging the figure of an independent businessman with whom it was profitable to deal, not the least because he would remain a partner in the long term (as he was relocating to China). Alpha was listed in a Chinese stock exchange,

and the negotiations were conducted in the presence of its management, composed of engineers, and of representatives of its main shareholder, Monatu, an investment fund based in another Asian jurisdiction. While the engineers mobilized arguments concerning the need to verify how compatible the technologies of the two companies were, implying that if they weren't, more investment was needed, and therefore the price of Bolbus should be lowered, the representatives of Monatu were concerned about the timing of the operation in relation to evolutions in the stock market. The announcement to the financial analysts that Alpha was upgrading its technology by purchasing top-of-the-line technology from Europe would boost Alpha's stock price, as long as the purchase could be presented as cheap enough. After all parties acknowledged that they considered the proposal by Calcus to be potentially acceptable, the lunch was spent talking about life in Shanghai and generalities, and the afternoon centered on technicalities of the medical devices.

The different meanings of the deal, staged at the negotiation table, were further explored in conference calls and exchanges of emails and documents. These meanings were partly connected to the attempt by all parties either to sell at a high price or to buy at a low one. But some arguments carried more weight than others or served different purposes. Calcus' management insisted that the sale was due to "purely industrial reasons," meaning that they considered that Bolbus was a very promising company; they were not selling it because it had no financial value but because operations needed further investment to profit from their potential expansion in China, and that this was too far from Calcus' "core business." The talk of a family company only enhanced their argument that they would have preferred not to get rid of a technologically advanced asset. The responses from Alpha's representatives were ambiguous on this point. Insisting on the need to assess the technology was aimed at opening the door for a lower price. At the same time, the price proposed by Merge Consulting, 15 million euros, was acceptable due to differences in the methods of valuation for acquisition of a company.

As I heard many times in interviews with professionals of cross-border investment (Ortiz 2017), the mainstream methods of valuations are the same in China and in Europe and the United States, with the exception of one. In Europe

and the United States⁵ a company would be evaluated by assessing the price of each of its assets, by comparing it to similar companies, and by calculating the potential cash flows that could be obtained in the future, discounted at a required rate of return. According to most interviewees, this last method is much less prevalent in transactions in China. These methods have moral and political meanings. The method of “discounted cash flows” is usually termed a “fundamental valuation,” concerned with long-term ownership of the company, and it is intimately related to the idea that if “investors” search for all available information, in “efficient markets,” this information will be “reflected” in the price, which will then serve as a signal contributing to a socially optimal allocation of resources (Doganova 2014). Valuing the company by its assets, or by comparing it to other listed companies, implies something closer to a “speculative valuation,” with its “bubbles” and “crashes,” where the aim may not be to profit from the company in the long run, but to sell it whenever market prices go up (De Goede 2005; Hertz 2000; LiPuma and Lee 2004; MacKenzie 2006; Muniesa 2007; Ortiz 2014b).

According to several interviewees, one of the practical problems posed by this difference in the methods of valuation is that when the parties disagree on the price, they may also disagree on what the object of the transaction is. In the current case, this difference had the opposite result. Using the discounted cash flows method, Merge Consulting’s analysts considered that Calcus could gain 15 million euros by keeping Bolbus in operation. This price was lower than the stock price of comparable companies listed in China, taken as a standard of valuation by financial analysts of Monatu, and potentially by brokerage companies who would report on the deal. The purchase would be considered a bargain, and push up the price of Alpha’s stock, and therefore the monetary value of Monatu’s portfolio. The associates of Merge Consulting, connecting the technical and political elements of financial valuation, commented that the deal was therefore benefiting from this mismatch in valuation methods and from the inefficiency of the “stock market bubble” in China.

The meanings of the 15 million euros paid by Alpha for Bolbus were therefore multiple. Some referred to different techniques of financial valuation, themselves

⁵ But not exclusively.

predicated on different definitions of what a company is as financial investment and its relation to the technical and political meanings of market efficiency. But the money, considered a profitable transfer for all parties, was also supposed to make sense as part of a personal entrepreneurial project, as the “best industrial solution” for the development of an activity irrespective of its owners, or on the contrary, as the painful disposal of a family jewel, marked by employers’ paternalistic moral responsibility toward employees. From the point of view of Merge Consulting, these different imaginaries were rendered compatible, in the deal, with the strategies of the associates to obtain a success fee and to expand their prestige and business in China. For employees like Vicky, the company’s representative in Shanghai, this meant the potential upgrade of her position in the company, with the prospect, evoked by the associates, that she could herself become an associate in the future. These multiple imaginaries became more or less compatible or even mingled into one, depending on the situation, and their similarities, disconnections, and contradictions were used to articulate and defuse conflicts around price, rights, and duties in the transaction. Mobilized to strengthen or explore positions during the negotiation, their potential contradictions did not need to be explored further by the people involved as the transaction approached completion and tensions diffused. With technical, moral, and political aspects, they composed a complex set of possibilities, which marked the paths through which the actors concluded the transaction and went on with their lives. These imaginaries were inextricably linked to imaginaries of the state.

Imaginaries of the state

Merge Consulting’s practices implied mobilizing imaginaries of the state that usually related in multiples ways to a broad understanding of a relative position between a rising Chinese economic power, where the state had played a central role in economic policy and wealth accumulation for forty years, and a decline in the places most affected by the financial turmoil that started in 2007–8, in particular the

United States and Western Europe (Ortiz 2017). Yet these imaginaries did not conflate into one but were, on the contrary, sometimes disconnected and sometimes in contradiction with each other. Merge Consulting was itself partly an actor of different states that paid for its services. Its associates understood their commercial strategy as benefiting from—and supporting—certain macroeconomic policies in China, with their narratives of nation building, socialism, and sustainable development. And the legal frameworks that were crossed by the transactions implied detailed strategies to avoid or profit from their provisions. In all these cases, the state was mobilized, among others, as a potentially mighty force orienting macroeconomic policy, as a series of unrelated entities, and in China, as an organization with a complex link to the Communist Party. It is therefore important to understand how the state is itself produced from its margins by actors who imply its existence, and who are officially not part of state bureaucracy (Abélès [1990] 2005; Das and Poole 2004). These imaginaries, in turn, must be understood in the case presented here as they were co-constituted with the imaginaries of profit described above.

Merge Consulting did not provide regulated legal services for its clients. Nevertheless, its associates, with decades of experience in M&A, did scrutinize closely each clause of the contracts that were signed between the parties of the transaction at each step of the process and when the final sale occurred. Thereby, the company's activities were constantly gauged against the regulatory frameworks that were brought together by the transactions. These frameworks could be perceived in terms of benefits—for instance, when it was considered that the contract should explicitly be covered by European laws because judges were supposed to be more independent of other state actors in Europe than in mainland China, or in terms of constraints that should be avoided—for instance, when establishing companies in Hong Kong to avoid certain tax requirements in Europe and China. This understanding of state regulation, which could be assessed and calibrated in detail in certain moments of the transactions, cohabitated with the fact that Merge Consulting sold its services to the municipality of Villagiund, where it was located, and to the municipality of a mid-sized Chinese town, Zhongzhen, in order to help

them enhance the commercial relations between the companies operating in the territory under their jurisdictions.⁶ This meant interpreting the political tensions within each municipality and the career prospects of the municipal teams. While municipal officials in Villagiund would use increased activity with China as an argument in electoral contests, for municipal officials in Zhongzhen, these activities responded to the central government's injunction to increase in GDP and internationalization, and could therefore help their career advancement within the Communist Party, and hence, within the state administration. These municipalities were not just clients paying fees but also facilitators, as they opened their contacts to Merge Consulting—for instance, when the consultants were looking for potential clients in Europe and buyers in China. Thus, just as the sale of Bolbus was being negotiated, Merge Consulting was working on another project, aiming to create a joint venture between a small company based in Europe and a state-owned company in China. This deal, which ultimately did not reach completion, was being brokered by the municipality of Zhongzhen, in whose industrial park the joint venture would be located, benefiting from tax rebates.

The transaction around Bolbus also activated another important imaginary of the state. The company produced avowedly high-tech molecules and devices that could be used in medical treatment. All the participants evoked as an evidence that this purchase, and the potential growth of Bolbus in China, was predicated on the hopes of success of the Chinese government's official project to reorient the economy from exports toward internal consumption, where middle-class consumption would take a leading role, in particular that of an aging and wealthier urban population. Investment was therefore supposed to go to sectors such as health, education, and environmental protection and away from heavy manufacturing or luxury, the latter being under attack by central government discourse as oiling the gift-giving circuits of state officials' corruption. Benefiting from the sale of Bolbus, for the members of Merge Consulting, thus implied navigating and trying to leverage the multiple facets of legislation, understanding and taking part in local-level politics in case they could be helpful if the transaction stalled, and participating in

⁶ The names of these two cities have been changed to preserve the anonymity of the people observed

the application of government policy, within the understanding that the Chinese state indeed had the capacity to transform what was thereby supposed to be a malleable economic structure. This latter point contrasted with the assessment Merge Consulting's associates made of states in Europe, against which they held an explicitly "conservative" view that demanded less state participation in economic life.

These imaginaries combined with others where the power of the Chinese state was seen as a danger due to corruption and the weakness of the rule of law. On the same trip in which Mr. Hecks and the owners of Calcus met with the representatives of Alpha and started exploring the concrete modalities of the transaction, Merge Consulting had arranged a meeting with a representative of one of the largest state-owned investment funds, which was introducing as potential buyer the owner of a company of which the fund was an important shareholder. Contrary to his attitude in front of the representatives of Monatu, Mr. Hecks was extremely evasive, and did not disclose the fact that he owned a company that sold high-tech components to Bolbus. After the meeting, once we were back at the hotel, he explained to us that he did not want to deal with companies owned by the Chinese state. According to him, in that case, not only would it be very hard to negotiate the price and especially his right to stay in the company, but there was even the risk that the counterparty would send spies to copy the technology that he himself was producing in China and selling to Bolbus. This would make him lose the chance to expand his own business after the sale and, he claimed—following a narrative line that I had heard with many other professionals working in mergers and acquisitions and joint ventures between state-owned and foreign-owned companies—there would be no legal protection against this theft of intellectual property, as Chinese judges would not enforce the law against a state-owned company.

These imaginaries became further complicated by the events in stock markets in 2015. After a steady rise since the beginning of 2014, the summer of 2015 saw the collapse of most stock prices. According to the technical and political imaginaries of market efficiency described above, "markets" were "correcting a bubble," where prices had veered too far away from fundamental valuation. Members of Merge Consulting understood it thus as a "necessary" correction but

also one that put the transaction of Bolbus at risk. If prices fell too low, the company, priced at 15 million euros, would start to look too expensive in relation to comparable companies listed in the stock markets of China. Monatu would then be unable to justify the purchase as a “good deal,” and would either have to propose a lower price or put the transaction on hold, waiting for a new hike in prices. These fears were calmed by the intervention of the Chinese central government. Considering that the collapse of prices was dangerously hitting middle-class savings, the government used the rhetoric of market efficiency to claim that the fall was excessive in relation to fundamentals, and detrimental to a smooth economic life. A dedicated fund of 200 billion USD, dubbed the “national team,” was used to purchase stocks across the board, from most of the companies whose prices were falling. Intervening with media discourses and actual purchases, this strategy had the result of stemming the collapse and giving the fund 6 percent ownership of the whole market.⁷ Even if prices did not recover their levels of the beginning of the summer of 2015, they remained well above prices of the beginning of 2014, which allowed for a narrative of slow growth spurred by the government’s protection against excessive volatility that did not respect the fundamentals. In informal conversations, Merge Consulting’s associates wavered between the relief that the transaction could go on, reproving state intervention, and justifying it as a way to sustain market efficiency against speculation.

This state presence in the deal’s valuation issues only rendered more complex the team’s imaginaries about the state’s role in the transaction. In the last stage of the transaction, the approval of the Ministry of Commerce was needed before payment money could be transferred. This added a few weeks to the conclusion of the deal, which the owners of Bolbus and the members of Merge Consulting had not considered. Fearing that any delay could derail the deal, they pressed the counterparty to speed up the process. In a conference call with Vicky and me, where we told the associates of Merge Consulting that representatives of Alpha communicated that it was a bureaucratic procedure that they could do nothing

⁷ Many of the companies listed in the Shanghai Stock Exchange were already, in one way or another, state-owned or state-controlled.

about—even in the case the Ministry’s officials would refuse the deal—one of the associates, Jack, started to shout that such an answer was “unacceptable.” He went on to explain that now that the state had invested in Alpha, the latter was part of “the system,” and should be able to mobilize its newly acquired connections within the Communist Party to make the administration go faster and in the right direction. State participation in stock market valuation was thus translated into the capacity to bypass bureaucratic processes in order to secure profits by guaranteeing the completion of the transaction.

Merge Consulting’s activities were carried out by mobilizing different imaginaries of the state that were more or less compatible, conflictive, or independent from each other. These imaginaries were co-constitutive of the imaginaries of profit. Valuation techniques, or the rights to set up a company and to expand its business, made sense in relation to certain understanding of the state, the legal framework, and the local politics of where profits could be made. Further, an investment project that aligned with the macroeconomic project of Chinese central government mobilized images of a state trusted for its capacity to steer the economy, an imaginary with ambivalences as to where political legitimacy lied, and which contradicted other imaginaries about European states’ impact on profits. The technical, moral, and political aspects of valuation, entrepreneurship, and investment were inextricably linked to also technical, moral, and political imaginaries about states’ multiple facets. Thus, “states” and “profits” were constituted as practical categories and concerns that were both different and partly defined by each other. These imaginaries were also co-constituted with imaginaries of “cultures.”

Imaginaries of culture

The relations between the professional and nonprofessional, often termed “personal” lives in finance, are marked by the fact that certain social identities play a strong role in both domains, notably age (Ortiz 2014b; Zaloom 2006), social class

(Godechot 2001), race (Ho 2009), and gender (Fisher 2012; Ho 2009; Roth 2006; Zaloom 2006), while the imaginaries of professional practice may at the same time silence or even oppose this. The “cross-border” character of the transactions in which the members of Merge Consulting took part was partly problematized as the crossing of a divide between what were loosely designated as two “cultures” or “mentalities,” among other expressions: China, on the one hand, and the West or Europe, on the other hand. The meanings of these entities were multiple, and they were mobilized in often labile and contradictory ways. Yet, these imaginaries of culture played crucial roles in certain situations, articulating and diffusing conflicts, establishing common narratives to continue the transactions, and providing meanings and practices that were developed, feared, enjoyed, or accepted, among other emotional possibilities, in everyday professional and nonprofessional lives (Ong 1999). It is important, therefore, not to consider “culture,” “China,” or “the West” as our own analytic categories but to see how they are produced in everyday practice (Anderson [1983] 2006; Gupta and Ferguson 1992; Pieke 2014; Trouillot 2003). This will allow for understanding how these imaginaries of “culture” are mutually constituted with those described above, concerning “profits” and “states.” In interviews with financial professionals working on cross-border investment, three main narratives tended to be mobilized when articulating a difference between China and the West, Europe and the United States, or “the rest of the world,” which could also be found in media and state-backed official reports (Ortiz 2017). They mobilized concerns about financial techniques, political organization, and personal trajectories of the participants. One imaginary built these entities as bound to become undifferentiated, either because China would become like the West, or because the opposite would happen. Another narrative considered that these entities were bound to enter into a violent conflict, since their differences were irreducible. A third narrative used words such as *hybrid* or *mixture*, developing the idea that something new was being produced, which took elements from both entities and put them together in a way that neither of them presented before. Merge Consulting’s members tended to mobilize the third narrative the most. They insisted both on some unavoidable character of the differences between China and the West,

and on the idea that these differences could be bridged by specialists like them.

In one of the associates' visits to Shanghai, as they were celebrating the fact that the sale of Bolbus had been completed, John, one of the founding associates of Merge Consulting, told to me as a justification that it was after an experience where "misunderstandings" had jeopardized a deal in China that he "realized" that it was only by "being there" that business was viable: only by having Chinese employees who lived in China could the company create a common understanding between parties in China and Europe and achieve transactions. This was also the company's marketing line to its potential customers in Europe. Many interviewees in the profession problematized the valuation differences described above in terms of "cultural differences." Although Merge Consulting's members, during my observations, did look for clarification concerning valuation differences, just like the other professionals I observed, and echoing an important production of manuals in cross-cultural management, they put forward "communication," "understanding," and "learning" between "cultures" as a central component of the company's activities.

I joined the company in replacement of Peter, who had lived in China for five years and had developed the Shanghai section of Merge Consulting in the last three years. We had first met for an interview and had maintained regular contact until he informed me that he was going back to Europe and could propose to the company that I replace him temporarily, given my research interests. He explained that my presence would be needed because "in some meetings, they just want to see an older white guy," a role that Vicky – "Chinese" and in her early 30s—could not fulfill. He considered that this was also necessary because counterparties are "usually older Chinese men, and they tend to not respect Vicky, because she is a woman and she is too young." In his narrative, these elements came together with other ones composing a distinctive "Chinese culture": "Sometimes it is really surprising that they really don't understand the simplest things. Vicky is very smart, but sometimes she just does not get it. I had many times the same problems with counterparts here. You send them the draft of the contract, it is crystal clear, and yet they ask you the most stupid question about how to interpret it." He would then give examples of

deadlines that would not be understood to be strict, or guarantee clauses that would be doubted and needed explanation or rewriting.

These imaginaries of culture allowed for articulating conflicts with clients, as in the case presented by Peter, when a discussion and eventual resolution of the interpretation of a clause was not termed as an opposition of interests but as a “cultural misunderstanding.” It also articulated, as evoked by Peter, relations within Merge Consulting. When Peter left, Vicky came to occupy a stronger position in the company, as head of the China office. Feeling that the arrival of an external consultant like me could threaten this, she initially insisted that I did not need to come to the office and that there was no need that I have access to the contracts that had been signed by clients with whom the company was still conducting operations. Her refusal to allow me to access the basic information I needed to work as a consultant for the company, and the insistence of the associates in emails and telephone conversations with me that I take a more active role in the company’s daily operations, led to clarifying each other’s positions in a conference call a few weeks after my arrival. The tense conversation found a point of compromise, when the associates insisted on the fact that Vicky would manage the office but that I would assist her in financial matters, on which I had a formal education that she did not have, and which was sometimes demanded by clients in Europe as part of the resources present in Shanghai. After this conversation, she stated her position, as a summary of the exchanges, in a long email, where she explained that I would only bring my expertise in financial technical matters, and that her role was centered on “cultural communication.” She explained that Chinese counterparts did not understand the “European way to do business,” and that they did not trust “Europeans” but would only express “what they think” “in Chinese” and “to a Chinese person.” At the same time, in her narrative, Western counterparts, and even the members of Merge Consulting, did not know the “political situation in China” well enough to understand the reactions, fears, and expectations of Chinese counterparts. Her role in the company was therefore crucial. This email received the approval of the associates and my own, as a sort of chart of principles that would allow to clarify any potential conflict in the future, which eventually never occurred.

What is interesting about these mobilization of different elements around the idea of Chinese and Western “cultures” that needed knowledge and understanding was that it was explicitly accepted and found legitimate by the other members of the company, and that it combined, in a way that was specific to the situation, imaginaries of culture that could be found in other interviews and media or official reports. The assertion of Jack, Merge Consulting’s associate, concerning Alpha’s capacity to mobilize supposedly newly acquired connections in the Ministry of Commerce because the “national team” investment fund had acquired a share of its stocks was one of these instances. After the talk, as she understood that I was aware that this interpretation did not correspond in any way to Alpha’s situation, Vicky explained, echoing John’s own comments quoted above, that this was just an example of Merge Consulting associates’ ignorance concerning China, and their need of a Chinese person to deal with clients and operations in the country. The formulation of misunderstandings and hierarchical conflicts within the company and between the company and its commercial partners could therefore be formalized in terms of “cultural” differences, in ways that reshaped the meaning of these relations, establishing specific possibilities and limitations.

These “cultural” entities were part of both professional and nonprofessional lives. This could concern attempts to understand the moral or political tensions that Merge Consulting’s transactions were supposed to bridge by crossing the border. John, Merge Consulting’s associate quoted above, combined European nationalism with and admiration for Chinese governmental policies. He explained that he did not want to live in China because he was “too old” and it was not “a place to raise your children,” given pollution and the cost of a “good, quality education.” In our first meeting, he expanded on how much Europe was “suffering” from the influx of immigrants. Conveying an avowedly conservative political view, he considered that the continent needed to start closing its borders in order to retain its social stability. He asserted that terrorist attacks were due to this European “openness,” and that China could provide an alternative perspective, in particular with the way in which it dealt with what John considered to be Islamic terrorists, echoing the official discourse of the Chinese central government about the bloody attacks attributed to

Uighur separatism. Considering that China needed European technology, he said that Europe could learn from China's political system. In his visit to Shanghai, remarking that all bags were screened in the access to subways, he said: "maybe Europe could learn from China, after the terrorist attacks, and stop refraining from taking some measures in the name of the respect of individual liberties."

But the mobilization of imaginaries about culture could also articulate life and career trajectories. After five years in China, Peter told me that he was tired of being an expatriate, that he could barely connect with "other expats," who were too focused on "business alone," and that he felt "totally shut off" from becoming friends with Chinese people, due to language barriers but also—more importantly—to "cultural differences." He had a new job as a consultant for a large Chinese company, for which he would work while living in Europe, to contribute to its expansion through mergers and acquisition and business development there. He explained that this was part of a longer-term project, in which he wanted to develop a consultancy on "intercultural relations in business," connecting Europe and China, based on the experience he had accumulated during the five years he lived in Shanghai and after that. Vicky, in turn, explained that she would want to continue working for Merge Consulting and become an associate in the company. She explained that she could earn more money in a Chinese company, but that she was not interested in doing this because it was an environment that was much more hierarchical and where there were not many career prospects for someone who, like her, lacked political connections and an elite education. While she expressed her strong desire to travel to Europe and to acquire European luxury items, she explained that she would never want to live outside China, where she liked her life, was planning to build a family, and could enjoy closeness to her parents and friends. This was exemplified by the way in which she could use her Chinese name with Chinese counterparts, and her English name with non-Chinese ones. This practice was widespread in the profession and elsewhere where Chinese nationals worked with foreign companies, and it was common with many employees of Chinese companies that dealt with Merge Consulting. "Europe" and "China" were thus defined in multiple, vague ways that could be combined to make sense of the

everyday professional and nonprofessional life of the people conducting Merge Consulting's activities.

Merge Consulting's activities mobilized several imaginaries of culture, China, and the West that gave meaning to the commercial strategy of the company, to conflicts and agreements between employees and between companies, and to life trajectories inside and outside the realms of professional practice. They concerned feelings of belonging, of trust and mistrust, differentiations between groups of people that could be recognized, as business partners and employees, and of imagined communities that connected with national identities and geographical borders and locations. These imaginaries were partly constituted by imaginaries about profits, concerning methods of valuation, of organizing companies, of negotiating contracts as well as imaginaries about states, concerning citizenship, legal frameworks, the Communist Party, and imaginaries about the global, defined partly in terms of financial methodologies that could converge, clash, or be combined, but also in terms of geopolitical tensions, of "migration" and "terrorism." Thus, the production of *culture* as an entity that was supposed to give meaning to everyday practice was partly determined by imaginaries about financial rules and about states, and provided in turn some of the elements to make sense of the latter. These imaginaries contain technical, moral, and political aspects, they are labile, sometimes contradictory, and can be transformed within limits that are explored in particular situations but that connect with shared understandings and practices that never coalesce into a single narrative. This co-constitutive character of imaginaries of profits, states, and cultures allow for a questioning of the "economy" in the narratives of "real economy."

Conclusion

This essay has shown how, in the everyday practice of people engaging in cross-border investment, the categories of *profit*, *states*, and *cultures* have multiple meanings, which are mobilized to make sense of practices in ways that can be contradictory, vague, and disconnected, but that also make them co-constitutive of

each other. Profits are understood within multiple temporalities and moralities, such as those of a life-long entrepreneurial career, the fast-paced movement of stock market prices, or the years-long development of Merge Consulting's operation. The meanings of owning a company and exchanging it for money vary accordingly. These meanings are co-constituted with those of states, which can be imagined as mighty actors capable of shaping the content and use of the law as well as the economic structure and particular transaction, but are also considered as commercial partners or legal frames that allow for manipulation and negotiation and as entities that can be themselves objects of investment. The political legitimacies of the Communist Party and the European project—when impacting stock prices through purchases by a “national team” or issuing licenses for deals that correspond to macroeconomic policy objectives—are part of the notions of market efficiency central in calculations and in justifications of prices, and play a central role in the design of long-term projects of business development in China and Europe by Merge Consulting, and its clients and counterparts in the transactions. Finally, the spaces designated as China and Europe, and practices and imaginaries related to them, are conflated into more or less homogenized “cultural” entities, used as causal explanations in everyday interactions, but also central for the stabilization of the meaning of professional rules, career perspectives, and identities. In everyday practices, these imaginaries are co-constitutive in ways that may not allow for disentangling them. They make sense in connection to each other, even when they contradict each other, in particular situations, such as in the discourse of a same person in a same interview, or in different moments and by different people participating in the same transaction over a period of time that can last years. Their analysis here shows how this co-constitution implies that the social hierarchies established through the distribution of monetary resources, like the one effected through the purchase of Bolbus, are not uniquely “economic” but they relate to multiples meanings of “profits” that must be understood as part of legitimations also problematized in terms of states and cultural identities.

The political character of the distribution of resources becomes therefore more complex than what an analytical distinction between *real value* and *fiction* or

between the *real economy* and *money* can allow to observe. These dichotomies obscure the processes under observation more than they help clarifying them. The practices of professionals like those of Merge Consulting contribute to channel money to particular activities at the expense of others, participating in the constitution of global hierarchies in the access to money articulated by the financial industry. These hierarchies cannot be understood if we only try to see them as “economic”—for instance, by focusing the analysis solely on how they relate to coordination through the production of information and knowledge or to a distinction between fiction and production. The imaginaries of profits, states, and culture described here mark a series of paths that are navigated, mobilized, and produced by financial professionals, but also in many state-backed official reports and discourses and financial and nonfinancial media, in order to organize, describe, and legitimize this particular distribution of resources. According to these imaginaries, contributing to the distribution of 15 million euros from a major chemical corporation based in Chinese territory to acquire the rights to expand the operations of a small company based in Europe and specializing in medical devices could be seen as a way to speculate in the stock markets, to enhance one’s career, to develop an industrial project, to contribute to the reordering of social relations by the central government under the control of the Chinese Communist Party, and to bring together the cultures of China and the West, among others.

Stressing social processes that would refer to a particular disciplinary niche that connected more or less loosely with the way the people observed made sense of the situation—for instance, saying it is mainly a “cultural,” a “stately,” or an “economic” process—would mean risking to miss important parts of the social process itself, and also risking to reproduce some of the legitimizing narratives that the actors themselves put forth to make sense of the distributive effects of their practices. Thus, the practices described above allow for seeing that the notions of profit, states, and cultures, and those connected to them, such as *investor*, *market*, *law*, *corruption*, *China*, and *the West*, must be considered in the way in which they are used and produced, instead of being used as readily available analytic categories. The pragmatist definition of the political anthropology proposed here, following the

practices of money production, collection, and distribution, with all the imaginaries they involve, allows for broadening the critical gaze to all the imaginaries mobilized to legitimize and reproduce these global hierarchies. Interdisciplinary dialogue is necessary to understand the imaginaries and social organizations whereby money is produced and used elsewhere than in the settings observed in particular fieldworks, making global social hierarchies possible. In this way, without claiming a grounding on a “real economy,” a pragmatist approach of money can also open doors to explore the multiple places where global monetary distribution could be imagined to be different.

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Chapter 4

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This article proposes to study how the financial industry is co-constituted with power relations outside of it. This follows several studies that have shown how the unequal distribution of money is interdependent with power relations established, for instance, in terms of gender, race, nationality or religion and in various forms of colonialism and imperialism (Dunaway and Clelland 2017, Davis *et al.* 2019, Bear 2020, Ortiz 2021a). Analyzing cross-border investment professionals in Shanghai, I propose to study how their valuation and investment practices were co-constituted with practices of bordering that differentiated states, economies and national and cultural identities in a shifting geopolitical setting.

I use fieldwork I conducted in Shanghai, between 2011 and 2016, among people working on mergers and acquisitions (M&A) and in so-called venture capital (VC) and private equity (PE) funds. M&A usually concerns transactions between non-financial companies carried out by consultants working in the financial industry. VC and PE activities use money concentrated in investment funds to purchase small and medium enterprises (SMEs) with the aim of selling them at a profit, sometimes many years later. All these activities use the same financial valuation and investment methods, which are standardized throughout the global financial industry (Benquet 2019, Souleles 2019, Ortiz 2021b). I will draw from participant observation I did for ten months, in Shanghai in 2015-2016, at Merge

Consulting⁸, a small team of M&A consultants working in Europe and China⁹ and complement it with interviews I did with about 50 professionals working in VC, PE and M&A in Shanghai, Beijing and Hong Kong.

In the financial industry, valuation and investment practices establish hierarchies concerning how money must be distributed among social activities, giving priority to a theoretical figure of the investor, and presupposing that transactions occur in markets whose informational efficiency should ensue in prices that reflect all available information about the value of the objects exchanged. The professionals I observed combined these imaginaries about investors, markets and value with understandings about states, economies and cultural and national identities differentiated across borders. These imaginaries propose different understandings about the power relations determining how money should be distributed and what should be the role of the financial industry in the process. I use the notion of financial frontier to focus attention on this process of co-constitution, where different power relations are combined with the distributive practices of the financial industry, in a way that makes them interdependent without diluting their differences (Bear *et al* 2015, Bear 2020). In this process, the financial industry contributes to establishing these various power relations and their claims to legitimacy. Studying this allows for asking questions about how this process may be very different in settings implying power relations other than the ones studied here.

Studying this co-constitution of standardized financial practices with other power relations is an important complement to studies in the sociology and anthropology of finance that focus on the repertoires of financial practice. These studies have shown the highly procedural and standardized character of valuation and investment methods (Zaloom 2006, Arjaliès *et al* 2017, Ortiz 2021b). They have also shown how these methods contain contradictory meanings that can be

⁸ To ensure anonymity, all names are fake and I modified some details.

⁹ In this article, I use the words China, Europe, US and their related adjectives to designate *territories*, acknowledging without further elaboration that the term is problematic. The idea that these terms would refer to populations, cultures or economies is here part of the object of analysis and not an analytical tool.

technical, moral, political and religious and how financial professionals mobilize them differently in relations within and between companies that can be hierarchical, cooperative or competitive (Maurer 2002, Ho 2009, Godechot 2016, Ortiz 2014, 2021b). Many studies have also shown how standardized valuation and investment methods assess social activities from the point of view of an investor whose demands for returns have priority over other participants, so that their application is part of a power relation whereby these social activities are turned into assets that can be capitalized on (Leyshon and Thrift 2007, Chiapello 2015, Muniesa *et al.* 2017, Birch and Muniesa 2020, Benquet and Bourgeron 2021, Gabor 2021). This article contributes to this literature by looking at the application of standardized methods of valuation and investment in situations where other power relations are not totally assetized and capitalized on. With the terminology proposed here, this implies looking at the financial industry not only from within, but also at its frontiers, looking at which power relations it interacts with and how it is co-constituted with them.

Most people I observed considered their activities as “foreign direct investment” (FDI). Formalized in so-called “national accounting”, this category designates the purchase or establishment across state borders of companies that are not listed in stock exchanges. FDI amounts are relatively small when compared to the around 5 trillion US dollars exchanged daily in foreign exchange transactions worldwide. But they are sensitive, because this is often how technology is acquired and transferred between territories designated as “economies”, “states” or “nations”. In 2016, for the first time, “outbound” FDI exiting China (216 billion US dollars) surpassed “inbound” FDI (174 billion), for a total of 2,6 trillion in transactions worldwide (World Bank Group 2021). Following decades of steady GDP growth and massive expansion of the financial industry, in the early 2010s, Chinese GDP became the second biggest in the world. “China” became the object of a flurry of conceptualizations by government officials, the press, academia and the financial industry. For instance, in the early 2000s, Goldman Sachs marketed the term “BRICs” to signal that Brazil, Russia, India and China did not belong to the established category of “emerging market” anymore. The people I observed up to

2016 envisioned the inversion of the relative position of inbound and outbound FDI, navigating debates about whether acquiring technology was a self-reinforcing success of the Chinese “economy”, the Chinese state and the Chinese Communist Party (CCP). Mobilizing the terms of these debates, they navigated and contributed to produce borders between “China” and other entities, designated as “the West”, “the US and Europe” or “the rest of the world”, variously defining these entities as states, economies, and national and cultural entities.

Border studies stress how borders may be strongly influenced by state policies, but they only exist as the effect of practices of “bordering” that establish differentiations between two or more sides (Wilson and Donnan 2012, Nugent 2019). In this process, practices may combine different definitions of borders and of what borders contribute to differentiate (Green 2012, Scott 2020). Establishing a distinction between “China” and “the West”, “Europe and the US” or “the rest of the world”, the people I observed made differentiations that concerned hierarchizations about how money should be distributed. They defined and legitimized different power relations between states and the financial industry. They also designated populations as distinct economies or as national and cultural entities, establishing hierarchies about how money should be distributed from one entity to another or within these entities, in terms that could designate unintentional social processes with which states and the financial industry were forced to contend, in a setting of geopolitical confrontations. Thus, in these practices of bordering, financial professionals co-constituted the financial industry with multiple and shifting power relations that also developed outside the financial industry. They did so by bringing together what were often contradictory or disconnected repertoires, so that financial frontiers and co-constitution were marked by ambiguity, indetermination and tentativeness.

The people I observed were similar to brokers studied in other settings, who intermediate between otherwise unrelated or even opposed actors, entities and meanings (James 2011, Lindquist 2015). But in the financial industry, an important part of this intermediation depends on the use of methods of valuation and investment that are standardized worldwide (Arjaliès et al 2017, Ortiz 2021a).

Accounting and financial methods play mediating roles by the way they connect actors who may not agree on their meanings and purposes and who may use them in different social settings (Miller and O’Leary 2007). Financial methods of valuation and investment can thus be part of the exchanges studied by Guyer (2012), where transactions with a price and exchange of money occur while participants give incommensurably different meanings to the interaction. These meanings can concern technical, moral, political and religious considerations about the object exchanged, the participants and their context. Guyer’s use of the term “conversion” to describe transactions where agreement about price maintains and reproduces incommensurabilities is thus useful to study the cases presented in this article. Mennicken and Miller (2012) show that power relations established in financial methods and procedures, for instance those skewing social activities to produce profits for the figure of the investor, can proliferate as these methods are used in multiple settings. Rose and Miller (1992) highlight how, in this proliferation, financial practices become possible only as they are sustained by multiple other power relations where they are taken up and with which they interact. Thereby, financial valuation and investment enclose the possible meanings of what is transacted within the limited repertoires of these other power relations implicated in the conversions.

In what follows, I will first describe how financial professionals problematized the relative power of the financial industry in relation to borders that distinguished states, economies, cultures and nations. I will then show how, using standardized methods of valuation and investment, they made conversions between incommensurable moral and political meanings, bringing together multiple power relations without homogenizing them into a single financial repertoire. The final section will then show how, in this process, financial professionals enclosed the distribution of money within the power relations they brought together through conversions, thereby contributing to enforce and legitimize the entities they differentiated across borders. The conclusion will then address the importance of focusing on this particular form of co-constitution through conversion and enclosure for the study of the global hierarchies that the financial industry

contributes to produce.

Borders

In April 2015, I met the three partners of Merge Consulting in Villagiund, a mid-size city in Western Europe, to establish the terms of our collaboration, involving me working for them with the right to use my observations for research and publication. At the end of the meeting, Jack, one of the partners, took me to the airport in his luxury car. This, he explained, was faster than public transport, especially because the airport was across the state border of the country we were in. Once we crossed the border, Jack could leverage his car's high speed with no regard to fines, since cameras could not identify his plate number. On the way, Jack expressed his attachment to the beautiful scenery surrounding us, where he grew up and lived all his life. In his late forties, he described the risky sports he enjoyed practicing there, which he learnt during military service before starting a career in finance. At the end of the 2000s, he quit his job at a major bank to establish Merge Consulting with the other two partners. My hiring was part of their attempt to expand the company's operations in China. He compared the yearly GDP growth of above 8% since 2008 in China to the negative or low growth in Western Europe and explained that the Chinese government's push for outbound FDI offered major opportunities to Merge Consulting, since struggling European SMEs owned technologies that could be sold and developed for the growing Chinese economy. Crossing state borders with his car, for Jack, meant an anecdotal change concerning technologies tracking traffic infractions that did not disrupt his feeling of belonging to the region. The border between Europe and China, on the other hand, was marked by different hopes about GDP growth and potential profits, which Jack attributed, without much systematization, to differences in state policies and in populations that he referred to variously as economies and cultural or national entities.

Echoing the practices adjudicating cultural identity and difference highlighted by Gupta and Ferguson (1992), the people I observed used the terms "China" and

“the West”, “Europe and the US” or “the rest”, to designate populations supposedly constituting cultural or national units that would be homogeneous within borders and different across them. They also used these terms to differentiate entities variously defined as economies or states, often considering that relations between states and economies were different on each side of the border. As in the cases studied by Rose and Miller (1990) and Guyer (2016), these terms were often vague and their meanings changed depending on context. Using them, professionals made sense of their practices as border-crossing facing different institutions and power relations with which financial practice had to be combined. Doing so, they considered technical aspects of financial practice, but also moral and political meanings of the role of the financial industry in monetary distribution. What institutions and social relations had the power to distribute money and according to which imaginaries, was thus at stake.

Researching forests in Indonesia, Anna Tsing (2003) considered that economic frontiers are marked by fundamental indetermination concerning future sources of profit. Kar and Schuster (2021) then stressed the role of “in-betweeners” who translate local social relations into profitable cash flows for the global financial industry. In both cases, the power relation between the two sides of the financial relation were clear to both the people observed and their observers. But the people I observed were in a situation closer to the intermediaries studied by Chong (2018) and Badaró (2020). Chong analyzed employees of one of the major global consultancy firms facing Chinese state-owned enterprises (SOEs) and nationalist narratives that refuted imaginaries of Western expansion and imposed a transformation of shareholder value repertoires for the benefit of state policies and the CCP (see also Wang 2015, Petry 2020). Badaró showed how consultants marketing imported luxury goods in China had to revise their imaginaries of value and the power relation presupposed in their thrust to “educate” Chinese consumers, whose purchasing power transformed the meaning of luxury. Similar to these cases, for the people I observed, the definitions of what lied on each side of the border were indeterminate and the terms to explore them remained unsystematic, as the potential for monetary gain resided in power relations where their expertise could

be both desired and challenged.

Examples drawn from interviews show how people can constitute the seemingly same border in various, even opposing ways, imagining connections between states, the financial industry and populations understood as economies, nations or cultures (Ortiz 2017). Mr. Martin, CFO of a Europe-based industrial group's subsidiary, arrived in China in the late 2000s and oversaw a joint venture between his company and an SOE. He explained that CCP members of the SOE's management excluded him from meetings to make major decisions and did not accept using valuation and investment methods the way he used to do in Europe. Openly conservative and pessimistic, he considered "Leninists" governing China would "never adapt to us", inevitably leading to future global conflict. Ms. Li was born and grew up in China and was partner in a major global consultancy where she specialized in M&A. Contrary to Mr. Martin, she told me the financial valuation and investment methods her company upheld were "universal" and were "already" applied by "internationalized" Chinese companies, including SOEs, so all other companies were bound to follow in the future. Mr. Jones was born and grew up in Europe and directed a VC funded by Chinese state institutions in Shanghai after working some years in Silicon Valley. He explained the Chinese state supported technological innovation more generously and daringly than private investment funds in the US, while upholding the valuation and investment methods used there, making Shanghai more attractive than California for US-trained young entrepreneurs. In the long-run, China would therefore outpace US and European technological achievements.

In these three cases, professionals problematized how money should be distributed across borders and which institutions and populations were entitled to it. They did so by situating standardized professional methods of valuation and investment in relation to states, economies and national and cultural identities, seeking to find a position they understood to be morally and politically acceptable. Across their differences, these three people understood that the separation across the border could only lead to an open conflict or to an absorption of one side by the other.

Other professionals, including Merge Consulting members, produced borders avoiding imaginaries of confrontation or absorption. Between 2008 and 2012, the overwhelmingly state-owned banking sector in China doubled its assets. Many analysts in the press and academia credited this with sustaining high GDP growth, contrasting it with the situation in the US and Europe. Yet, in 2011, the International Monetary Fund (IMF) published a report claiming the Chinese financial sector needed increased privatization and “market” orientation to avoid an impending crisis (International Monetary Fund 2011). Shortly after, I interviewed Tom, who was born and grew up in the US and moved to Shanghai to work in PE after studying Chinese and graduating from a top US university. Earning high income and heading his university’s local alumnae association, he projected his future career promotions in China, where he was raising his children. When I mentioned the IMF report’s conclusions he laughed loudly and said: “Haha! Does anyone still believe that?!”. Tom, like Mr. Jones, also worked in connection with Chinese state-owned entities and he envisioned a future where the border could be superseded by a new entity that differed from the homogenization imagined in the IMF report. Exploring a similar possibility, another consultant explained that, since he grew up and studied in Europe but did most of his financial career in China, he could neither work just in Europe or just with Chinese companies. Beyond that separation, he explained, his “hybrid” character was on the contrary useful for European companies working in China.

John, one of Merge Consulting’s partners based in Europe, designated his exploration of the differences across the border as a process of “learning” and said that establishing an office in Shanghai was “the only way to understand how to do business there”. He looked for ways to bridge differences combining partly contradictory meanings to establish what he considered acceptable moral and political stances. Thus, while he expressed enthusiasm for state-backed GDP growth prospects in China, he considered Europe’s economic woes were due to the excessive presence of the state in the economy, which he rejected on explicit ideological grounds. On the other hand, he said Europe should learn from the Chinese government’s treatment of “terrorism”, a word he used to designate

together attacks attributed to Uighur separatists and to radical Islamists in each territory.

These explorations about border-crossing were also part of the relations among Merge Consulting members and between them and their clients. The Shanghai team consisted of two employees. Peter was born and grew up in Europe where he worked in the news industry. Around 2010, in his early forties, he moved to China and took Chinese language courses for a year. Vicky, in her early thirties, was born and grew up in China. She had a BA in English and used this English name with non-Chinese interlocutors. Merge Consulting was their first job in finance, and they spent most of their professional time meeting with companies' representatives and local authorities. Peter and Vicky regularly claimed John and his colleagues based in Europe ignored "how things work in China" and that counterparts based in China lacked knowledge about "Europe" or "the West". When I joined Merge Consulting to replace Peter, my official task was to contribute with knowledge of financial methods, based on my formal qualification as financial analyst. Vicky would take care of "cross-cultural" communication, based on her knowledge of the concerns of European and Chinese client companies. Using the word "culture" allowed for bundling together what otherwise could be distinguished as "economic" or "political", smoothing conflicts and leaving them somewhat indetermined. These conflicts concerned, for instance, the fact that Chinese companies did not agree paying operating fees before completion of a deal, against the general practice in M&A in Europe and elsewhere. "Cross-cultural" knowledge could concern understandings about a contract's clause, consumer trends, regulatory changes, or the link between GDP growth and CCP bureaucrats' careers. In one of our meetings, Peter, exasperated after a conflict with a potential client, told me it would take "one generation" for the two sides to eventually "understand each other". He thus situated his job between entire populations that he defined as different cultures that could only come together by learning and convergent upbringing in a distant future.

Professionals also addressed their own trajectories using imaginaries of borders, crossing and hybridity. After five years in Shanghai, Peter went "back" to Europe, where he hoped to meet someone to start a family with. He developed a business to

advise Chinese companies investing in Europe and published a book and gave lectures on “cross-cultural” management based on his experience at Merge Consulting. Vicky explained to me that she preferred staying in Merge Consulting, where she could hope to become a partner, to working in “Chinese companies”, where, although better paid, her lack of connections and of a degree from a prestigious university would stymie her career. This job could also allow her to travel to Europe and accumulate European luxury goods, while starting up a family and developing her professional network in Shanghai.

With some ten members and yearly sales below 3 million US dollars, Merge Consulting was a very small company in the financial industry. To make sense of their lives and their professional activities, its members used without challenging what they understood to be standard repertoires about crossing, hybridity, understanding, learning, and adaptation that suited their specialization. Like the other professionals I quoted above, they produced imaginaries of borders, states, economies and cultural and national identities, and explored how the relation between the financial industry and the power relations establishing these institutions and forms of differentiation determined and legitimized where money should go. Thereby they situated themselves in a financial frontier where their financial professional expertise was both accepted and challenged through its combination with multiple power relations established outside the financial industry. The next section shows how, through conversions using standard financial methods, they brought together these different power relations without erasing their specificities.

Conversions

One morning of 2015, Vicky, Peter and I met with Mr. Hecks, director of Bolbus, a small company that produced medical devices in China, and the owners of its mother company, Calcus, a mid-size family-owned company based in Europe. We went to the offices of Alpha, a large company listed in the Shanghai stock

exchange, whose main shareholder was Monatu, an investment fund based in an Asian jurisdiction outside of China. There we met with the representatives of Alpha and Monatu to explore Alpha's possible purchase of Bolbus. Our role as Merge Consulting was to intervene only in case of misunderstanding. Mr. Hecks had worked for several decades in China and Vicky and Peter considered him more experienced than them in this kind of negotiation. He conducted a great part of the meeting. He highlighted Bolbus' technical characteristics, production capacities and commercial potential in China and the possible organization of the deal, including Mr. Hecks staying in the company to ensure operational continuity. We then visited Alpha's laboratories. Discussions about the two companies' technical compatibility indicated that Bolbus' products would enrich the range of Alpha's commercial offer. We parted in the late afternoon. A few days later Mr. Hecks and Calcus' owners returned to Europe. This meeting was too early in the negotiation for direct discussions about price, but Merge Consulting members had already mentioned the amount of 15 million euros to Alpha and Monatu representatives. Bolbus was later indeed purchased for this price. This section studies how participants combined the repertoires described above to make sense of the exchange of 15 million euros for medical technologies.

Merge Consulting members and those working for the two companies involved in the transaction established Bolbus' price using compulsory standard financial methods. This section will first show how these standard methods of valuation and investment contain moral and political meanings that professionals could connect to the repertoires described above. I will then focus on the case of the sale of Bolbus to show how agreement on a price resulted from conversions where professionals combined these repertoires and retained their incommensurabilities.

The financial professionals I observed used valuation and investment methods that are standardized in the financial industry worldwide, institutionalized in financial regulation and in commercial and labor contracts (Arjaliès et al 2017, Ortiz 2021b). These methods establish three ways to determine a company's price,

which professionals designate with the term “value” (Ortiz 2021b, 2021c)¹⁰. A company’s “fundamental” value, often called its “true value”, consists in the future cash flows available for its owners, calculated by forecasting the company’s income and expenses for the next ten to fifteen years. This form of valuation closely reflects the idea of shareholder value, but it is also very uncertain because different forecasts result in very different prices. The company’s “relative value” results from comparing it to similar companies (by size, activity or location, among other criteria) and to “greenfield investment”, a term that designates creating the company from scratch. Manuals and professionals justify comparison with the argument that prices obtained in other transactions are reliable information to orient new investment because, in efficient markets, these prices are supposed to represent accurately the other companies’ fundamental value. Finally, “speculative” valuation compares the current price to its possible variations in the short-term future. In this case, the transaction may be withheld or hastened and offered or asked prices may increase or decrease, without consideration for fundamental or relative valuation.

These three definitions of value consider that the transaction results from the actions of investors operating in markets. But the definitions of investor and market used in these three definitions of value are different, partly contradictory, and contain various moral and political meanings. Constant price changes, seemingly disconnected from any change in available information, are the occasion for official controversies concerning whether prices reflect true value thanks to market efficiency or whether they reflect participants’ speculations without any such anchoring. According to the conceptual framework of neoclassical economics used to establish standard financial methods, accurate assessment of fundamental value in efficient markets is supposed to ensue in price signals leading to a socially optimal allocation of resources. Valuation’s technical accuracy thus connects with a politically desirable aim, so that many financial professionals claim, if only rhetorically, their technical, moral and political preference for fundamental

¹⁰ As I have elaborated in more detail elsewhere, I consider that “value” is not a useful analytical concept to study practices in the financial industry but must on the contrary be studied as part of these practices and of how financial professionals make sense of them. This differs from using a theory of value to study these practices (Muniesa 2011, Ortiz 2013).

valuation, which should be reflected in efficient market prices, over speculation. The primacy of market efficiency is also predicated on a state that enforces market rules but does not operate as a market actor (Muniesa and Doganova 2020, Ortiz 2021b). The people I observed systematically referred to these standardized methods of valuation and investment when addressing the connection between their professional practice and the imaginaries of borders, states, economies and national and cultural identities I described above.

Shanghai and Shenzhen stock exchanges, created in 1990, were marked by fraud scandals and high price variations until a regulatory upheaval in 2006. After that, many SOEs were listed in a process called “corporatization”, whereby the state sold a minority of shares to non-state entities and enforced the use of standard methods upholding shareholder value for the management of the companies (Wang 2015, Chong 2018, Petry 2020). Stock prices rose sharply in 2007 and collapsed in 2008, avowedly on the news that an impending global crisis would affect Chinese GDP. In 2014 prices slowly rose again and by mid-2015, although well below 2007 levels, they were higher than at any other time. By then, the combined capitalization¹¹ of Shanghai, Shenzhen and Hong Kong stock exchanges was the second biggest in the world, behind that of US-based stock exchanges. Like the financial press, professionals I talked to proposed varying views about these processes, navigating the intrinsic tension between market efficiency and speculation. Using fundamental valuation and presupposing market efficiency, the rise was the long-overdue catch-up of stock prices with the so-called real economy, because previous price stagnation supposedly did not reflect the yearly GDP growth around 8% since 2008. A different view proposed the rise resulted from speculation by the middle class, who composed most of the accounts in the stock exchanges and supposedly gambled without proper professional knowledge.

These debates also concerned the priority given to different definitions of value in transactions. Many people I interviewed said that, in China, relative valuation was preferred to fundamental valuation. They explained this was partly because the

¹¹ This word refers to the number of shares multiplied by their price. Professionals use this measure as an indicator of the size of a company, a sector or a stock exchange.

State-owned Assets Supervision and Administration Commission (SASAC), which oversees all SOEs, insisted that transactions be made at prices close to those of stock exchanges, to prevent SOEs' managers accepting bribes to sell companies cheaply based on fundamental valuation using convenient forecasts. This then set a standard for this kind of transaction even for non-state-owned companies. The people I observed mobilized this argument when debating whether prices used for relative valuation resulted from market efficiency, speculation or state decisions.

In mid-2015, prices in Shanghai and Shenzhen stock exchanges fell around 30% in a few weeks. To forestall losses that could affect middle-class savings, the government set up a group of investment funds, officially named the “national team”, to purchase stocks across the board until prices stopped falling, which happened some weeks later. This, the government claimed, helped sustain market efficiency that irrational speculation had undermined. Prices then stabilized below the level of mid-2015, but above that of early 2014. The event highlighted the power of the CCP and the state to intervene in financial prices using supply and demand relations in the name of both the nation and neoclassical economics.

In the transaction involving Bolbus, the people I observed mobilized these repertoires to agree on a price of 15 million euros. Merge Consulting's analysts and the top management of Calcus proposed that 15 million euros reflected Bolbus' fundamental value based on forecasts about the company's development in China thanks to the Chinese state's support for middle-class consumption of medical services. Using fundamental valuation, Alpha's managers considered Bolbus a good purchase because their resources and commercial network would help its sales grow. This price also depended on Monatu's relative valuation based on Shanghai and Shenzhen stock exchange prices. Bolbus was cheaper than similar companies listed in these stock exchanges. The financial industry's analysts would therefore consider the deal Alpha made a good one, pushing the company's stock price up, and hence also Monatu's portfolio. Before mid-2015, John told me that he thought his clients, and, as Merge Consulting partner, also himself, benefited from the “inefficiency of Chinese markets”. He produced the explanation that prices in Chinese stock exchanges did not reflect fundamental value because most market

participants were non-professional individuals. This exceptionally high level of individual participation was supposedly due partly to a Chinese culture of high savings and partly to state policy: insufficient social welfare induced high saving rates and capital controls¹² pushed middle classes to speculate in real estate and stocks because they could not invest abroad. This understanding echoed requests for state disengagement from the economy, through privatizations and capital account opening, expressed for instance in the 2011 IMF report mentioned above.

Stock prices' collapse in Shanghai and Shenzhen stock exchanges in mid-2015 threatened the transaction. If prices went below a certain threshold, 15 million euros for Bolbus would not seem cheap anymore and Monatu would cancel the purchase or delay it until prices rose again. By limiting their fall, the Chinese government's intervention with its "national team" saved the deal. This intervention was made partly in the name of market efficiency and the fight against speculation. In a similar vein, the government claimed capital controls protected foreign exchange from short-term global speculation and provided the stability needed for the fiscal and monetary policies that led to steady growth. This understanding was part of the reasoning when professionals forecasted growth to do the fundamental valuation of Bolbus. While Peter and Vicky considered the Chinese state's arguments reasonable, John expressed both disapproval in principle and relief that it saved the transaction. The professionals I observed could consider that in "the West" the financial industry operated independently from the state, while "in China" the state owned the biggest companies listed in the stock exchanges, influenced valuation methods with the SASAC and intervened in stock prices with the "national team" and on foreign exchange with capital controls. Different views could then consider that the state's actions rendered markets inefficient, that they corrected the inefficiency created by capital controls in the first place, or they helped protect market efficiency against powerful speculative forces and cultural and national characteristics that, nevertheless, were also responsible for GDP growth.

The people involved in the transaction also used these imaginaries to make

¹² Capital controls and opening of the capital account refer to state regulations restricting or allowing people and companies taking money out of the territory.

sense of their personal lives. The owners of Calcus insisted they were concerned with the fate of the company's workers in Europe, referring to a morality of paternalist shareholding. Expansion in China would give Bolbus a chance to grow that they could not provide for. For Mr. Hecks, the deal would allow him to start a next step in his life, with less involvement in Europe and a progressive relocation to China where he hoped to expand his entrepreneurial endeavors benefiting from high GDP growth and his contacts with Europe. I was not able to assess the situation of Monatu and Alpha representatives. But for the members of Merge Consulting the deal was momentous. This was their first deal in China and it would boost their marketing in Europe for similar deals. Peter left the company before the end of the deal and expressed frustration at not getting a bonus. For Vicky, besides the bonus, this was a major step in her rise to the status of partner in the company. Despite these differences, both Vicky and Peter considered that the deal validated their knowledge and promised more deals in the future, as Merge Consulting further developed its capacity to cross borders and benefit from state policy and GDP growth in China.

Merge Consulting members and the representatives of Calcus, Bolbus, Monatu and Alpha eventually agreed that 15 million euros was a good price for Bolbus according to a combination of fundamental, relative and speculative valuation that respected the financial industry's professional standards. But, depending on the moment of the transaction and of the actors involved in it, the price of 15 million euros included different, partly conflicting views about economic policy, the morality and politics of market efficiency and the behavior of the Chinese state and middle classes, considered in terms of culture and national characteristics. This price resulted from using the contradictory lines of reasoning of financial methods to combine different views of what constituted "China" as a state, an economy, a nation or a culture, defined as distinct from "the West", "Europe and the US" or "the rest of the world" in a context of global confrontations. The power of the financial industry to determine where this money should go was assessed differently in each of these repertoires. To agree on a price, participants did not need to make these views consistent with each other, frame them within a single narrative or even

compare them all at the same time. On the contrary, professionals maintained and reproduced their specificities, tensions and disconnections, as they combined them with financial methods and agreed on a transfer of 15 million euros for the control over the capacity to produce and sell specific medical devices.

To determine the price of Bolbus using standardized methods, financial professionals took into account power relations that did not totally depend on the financial industry, concerning hierarchical distribution of money between and within populations designated as economies, cultures or nations, and problematizing the relative roles of states and the financial industry in the process. They converted these power relations by integrating them in the calculations and negotiations whereby money was exchanged for medical devices. These power relations were also present in the interviews and observations I did with professionals unrelated to Merge Consulting. In all these cases, financial practice did not transform or domesticate these power relations by forcing them to behave like assets. On the contrary, they reproduced their specificities, which included attributing the financial industry different roles in the distribution of money. The next section shows how this form of co-constitution contributed to reinforce these power relations.

Enclosures

Several studies have shown how, to obtain funding from the financial industry, social activities are transformed to comply with the requirement of its standardized valuation and investment methods. For instance, the entry of health services and environmental protection into the financial industry's "investment universe" has tended to happen through privatization, including programs of structural adjustment or through the constitution of "social impact" bonds or "green finance" insurance. Thus, the IMF recently issued a report claiming the financial industry could contribute fundamentally to environmental protection using standard valuation and investment methods to correctly price climate change "risks" (International

Monetary Fund 2019, see also Levidow 2019). In other cases, financial methods can become tools for non-financial processes, such as strengthening the CCP and the state in China (Wang 2015, Chong 2018, Petry 2020). Finally, financial methods of valuation and investment can be reformulated using non-financial imaginaries, as in Islamic finance, for instance, where the reference to interest rates for debts is erased (Rudnycky 2019). In the cases studied here, the co-constitution of the financial industry with other power relations happened without such alignments. The financial professionals I observed contributed to institute power relations articulated along imaginaries of states, economies and national and cultural identity, considered necessary to determine where money and technology should go. They did so without reducing these multiple power relations to financial assets and without becoming just a tool for their realization. In the process, these power relations became the necessary and sufficient condition for the activities of the financial industry. Financial professionals thereby enclosed the objects of investment and the meaning of transactions in this limited set of power relations. In this section, I show this by looking at how the people I observed considered health and environmental protection.

At the time of my observations, the professionals I observed considered Chinese companies would apply governmental policy and purchase companies abroad in sectors identified as economically and geopolitically strategic. This included, for instance, environmental protection, high-tech and health and education for middle-class consumption. On the contrary, it would be hard to sell luxury brands, because they were associated with gift-giving in corruption practices targeted by new restrictions.

The private production of health devices to sell them for profit was central in Alpha's purchase of Bolbus. The aim was to broaden the range of products offered to individual clients via recommendations by doctors in private or public clinics. But the idea that there would be anyone to buy them was explicitly based on the governmental project to expand middle-class consumption and political support while making GDP growth less dependent on exports, amid increasing geopolitical confrontation. If health devices could be transformed into objects of financial

valuation and investment, it was premised on imaginaries of consumption patterns, national identity, state power, economic planning and geopolitics.

During my observations, Vicky and I accompanied Mr. Schere and Mr. Steen to meet the representatives of a major state-owned construction company, Guojian, that could potentially buy their company, Rubba, specializing in waste treatment for buildings. Construction led by SOEs had been a major source of GDP growth for decades, and now the government officially stated the sector needed to adopt measures for environmental protection. Waiting for the train, Mr. Steen and I engaged in casual conversation. Both him and Mr. Schere were engineers and now, in their late sixties, they sought to sell the company they had built and managed for decades and retire. It was difficult to find buyers in Europe due to the economic situation there, but the Chinese government's recent embrace of environmental protection and its massive support for construction seemed to promise a future of growth for Rubba's technology. Echoing discourses produced about the Soviet Union's collapse in the 1990s, Mr. Steen said with reference to China, "as they open up economically, inevitably they will have to open up politically", by which he meant adopting a political system closer to what he knew in Europe. When I told him that this seemed unlikely, since GDP growth was probably strengthening the CCP's legitimacy, his voice lowered and he said, more gravely: "oh, so by selling them our technology, we are helping them...". His explicit disappointment ended that moment of the conversation and, in my position of consultant, I understood I was not supposed to dig deeper into it. We moved on to talking about life in Shanghai, a typical subject of conversation for clients who, like him, had never been to China before.

The rest of the day was spent in long meetings with Guojian's representatives, talking about environmental protection requirements, specificities of Rubba's technology, and garbage which, once treated in a building, would circulate and transform according to the public management of the cities where both companies could eventually cooperate. In that process, Mr. Steen and Mr. Schere explored different possibilities of what it meant to sell their company to an SOE in China. As the idea that it was contributing to a universal liberal order dissolved, the

understanding that it was a way to profit from the political project of the CCP gained weight. Eventually, though, Guojian's representatives declined the deal, claiming the proposed price was too high, and no agreement could be reached. In the process, Mr. Steen and Mr. Schere contributed to changing the meaning of environmental protection and of money transfer across a border that they understood as the separation between states with very different legitimacies and power. Yet, for both sides of that border, they conceived technologies for environmental protection as something that could only exist as part of state policy combined with the practices of the financial industry.

In the two cases described above, professionals could only define environmental protection or health as a financial investment by combining valuation and investment methods with a limited set of imaginaries about states, economies, cultures and nations differentiated in terms of borders that could be crossed in shifting geopolitical tensions. Thereby, they enclosed these activities within the limits of these imaginaries, foreclosing other possibilities. These examples show how, at the financial frontier, activities like health and environmental protection obtain funding and become possible through conversions whereby they are enclosed in the co-constitution of the financial industry and power relations outside of it.

Conclusion

This paper looked at “FDI” in “China” as an analytic site to study a particular form of co-constitution between the financial industry and power relations outside of it. The power relations studied here concern state power and hierarchical differentiations of populations designated as economies and national and cultural identities, articulated in practices of bordering. The cases observed here concerned conversions, where professionals did not transform these power relations into capitalizable assets. Professionals retained their specificities, tensions and contradictions, including the fact that, in different repertoires, the financial industry

is given different powers and legitimacies to distribute money. In doing so, professionals enclosed investment objects not only in financial imaginaries of investors, market and value, but also in repertoires of borders, states, economies and national and cultural identities. These repertoires were thereby reproduced and reinforced by financial practices.

Different settings may allow for seeing different power relations and positions for the financial industry, itself composed of multiple organizations with different aims, scopes and possibilities. The practices described in this article are organized by notions of borders where states, economies and national and cultural identifications play central roles. In other settings, conversions and enclosures may occur with other institutions and power relations, for instance in colonial and imperial configurations and with hierarchies established in terms of gender and race, which have to be studied in their specificities. Besides, the concepts of conversion and enclosure may not be able to capture other forms of co-constitution. As I indicated above, the practices of the financial industry may assetize social activities, may become tools of power relations external to them, or may be transformed according to non-financial repertoires. The global deployment of financial imaginaries about value, investors and markets applied by the financial industry is in part only possible as the financial industry is variously co-constituted with other power relations. Exploring these various forms of co-constitution is therefore crucial for understanding the roles of the financial industry in the production of global hierarchies.

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Chapter 5

Ortiz, H., “Financial repertoires of the state. Contributions to a global anthropology of money”, paper proposed for the special issue “Against structural postponement”, edited by Julia Eckert and Johanna Mugler, *Anthropological Theory*.

This paper proposes an analytic of the practices of the state in the financial industry from the point of view of a global anthropology of money. Global anthropology and global sociology have stressed the need to posit global connections as an analytic starting point, instead of limiting the horizon of the analysis to a geographical fragment. Doing this avoids reproducing the historically dominant centrality of rich areas of the world in social analysis and presupposes that concerns for social justice must take into account the global interdependences that constitute power relations that we can observe in necessarily limited research objects (Burawoy, 2016; Bhambra & de Sousa Santos, 2017; Lins Ribeiro, 2014). The meanings and practices of money are multiple, so money cannot be encapsulated in one definition (Guyer, 2016; Maurer, 2006; Zelizer, 2009). Rules about who can get what money and do what with it are both constituted by and constitutive of social hierarchies established, for instance, in terms of class, gender, race, age, religion, citizenship and nationality (Dodd, 2014; Guyer, 2004). Through circulations and conversions, these multiple monetary relations make us interdependent worldwide (Guyer, 2004; Hart and Ortiz, 2014). Focusing on monetary practices allows thereby to look at the intersection of multiple global power relations. States and the financial industry play central roles in the production, collection and distribution of money. This paper proposes therefore to look at global power relations by focusing on how the repertoires of the state that financial

professionals mobilize in their everyday practice are central in how these professionals produce global hierarchies by collecting and distributing money.

The paper is based on fieldwork and interviews conducted with professionals specializing in cross-border investment in Shanghai with a focus on mergers and acquisitions (M&A), venture capital (VC) and private equity (PE). I conducted around 50 interviews with professionals between 2011 and 2016 and did participant observation for about 10 months in Merge Consulting¹³, a small M&A consultancy firm working between China and Western Europe¹⁴. M&A usually involve one non-financial company's partial or total purchase of another, using consultancy services of financial professionals who help determine the price and act as intermediaries. VC and PE involve investment funds that purchase shares of non-listed small and medium enterprises (SMEs) to transform the companies and sell the shares at a higher price, usually several years later. VC focuses on starting companies, sometimes with a handful of employees and no sales or income, called "start-ups". PE focuses on more established companies that can have hundreds of employees. VC and PE have two standard "exit strategies" to sell the companies: listing the company on a stock exchange through an initial public offering or selling it to another fund or to a non-financial company through M&A. Thus, VC, PE and M&A involve different specializations but can also be mutually dependent. Albeit different, the practices of all these professionals concerned orienting money, mainly through share purchases, to non-financial companies that they engaged with in depth sometimes for several years. These companies were located in Europe, the US and China and operated across the border of different states, including the Chinese one. Financial professionals took into account these states in various ways to establish the hierarchies in the access to the money they managed and contributed to distribute, establishing where money should and should not go and what could be done with it.

¹³ In agreement with the people I observed and to protect their anonymity, I modified some details and all names are fake except for the city of Shanghai.

¹⁴ I use the words "China", "Europe" and the "US" to designate territories, and Chinese, European and US as adjectives to designate location. I problematize below the imaginaries that connect these territories to states, populations and economies.

Historically and still today there is a great variety of monetary institutions (Guyer, 2004; Helleiner, 2003; Parry & Bloch, 1989). Nevertheless, today, most money is state-denominated currency produced partly by central banks and mainly by commercial banks (Biondi, 2018; Polillo, 2011). States result from multifarious, sometimes conflictive everyday practices of people who may or may not be official state agents (Escalona Victoria, 2016; Sharma & Gupta, 2009). This happens through confrontations, negotiations and impositions where the definitions of states, their sovereignty and their boundaries are constantly redrawn (Abélès, 2005; Das & Poole, 2003; Roitman, 2005; Trouillot, 2003). Monetary institutions are mutually constituted with the everyday monetary practices that happen outside of them (Zelizer, 2009). The concept of state monetary policy is itself intrinsically connected to the way in which central banks operate through banks and, more largely, the financial industry (Braun & Gabor, 2020). This setting is widely standardized worldwide with many variations (Polillo and Guillén, 2005). Looking at the practices of the state in the financial industry allows for observing how, in the process of monetary production and distribution, states and financial companies are both mutually constituted and operate as separate entities that are often in conflict.

The financial industry is constituted by a myriad of companies with different official tasks and geographies of operation, such as banks, insurance companies and asset management companies, that do not constitute a homogeneous or officially unified institutional setting (Sassen, 2012). At the same time, they are connected by shared procedural rules of practice that are standardized and enforced by regulations and contracts across the global space of their operations (Arjaliès et al, 2017; Mennicken & Miller, 2012). Part of these rules of practice consist in comparing activities around the world to determine where to allocate money in a hierarchical way (Ortiz, 2021a). Some of the professionals I interviewed worked in financial departments of non-financial corporations and I include them here in the definition of the financial industry, because they were explicitly concerned with applying its standards of valuation and investment, often with the aim of interacting with investment funds and financial analysts.

Jane Guyer proposed to consider regularities in monetary practices, like those of the professionals I observed, as “repertoires” whose various performances include conflicts, consensus and the unexpected (2004, 2016). Standardized financial procedures mobilize imaginaries about investors and efficient markets that contain a limited variety of moral and political meanings that can be also found outside the financial industry (Ortiz, 2021b). The people I observed also mobilized repertoires of states, with technical, moral and political aspects and with varying points of view, including adhesion, rejection and indifference, relating to their professional and non-professional concerns and trajectories. They specialized on cross-border investment in non-listed companies, usually called Foreign Direct Investment. Their practices connected with states’ policies about cross-border monetary flows and the acquisition of technologies and intellectual property rights, among others. Mobilizing repertoires of the state in their practice, they articulated various tensions between obtaining monetary gains and enforcing public policy.

In the following pages, I will explore how financial professionals constitute the financial industry and states together and as separate entities, combining standardized methods of valuation and investment and the aim to obtain monetary gains with four repertoires of the state, that include concerns with public policy and national identity. These repertoires posit states as objects of investment that must submit to the figures of investor and efficient markets that financial professionals use in their everyday practice; as powerful organizations that have the capacity to structure what are conceived as the identifiable entities of the economy and the population; as business partners embodied by people who act as official state agents with varying and shifting power relations; and as set of laws and regulations that can sometimes be circumvented even with the help of some state agents. As I will show, financial professionals both distinguish and combine these repertoires in multiple ways, to make sense of, organize and legitimize who can access the money they manage and for what, contributing to produce global hierarchies. In this process, financial professionals establish varying hierarchies among states, making it necessary to keep an analytic gaze that studies how these professionals consider the whole world as the space of their operations. In the conclusion, I will address

two concerns for a global anthropology of money that looks at the relation between states and the financial industry. First, in financial practice, state repertoires are constitutive of the way in which social hierarchies are produced through monetary circulation. Second, these state repertoires do not concern just one particular state, but how states are produced together in global hierarchies among them.

States as investment objects

Ms Li was born in China in the 1970s, when the country was ranked among the poorest in the world. She studied accounting and finance there in the 1990s and, when I met her in 2013, she was a partner at one of the major global consultancy firms. She specialized in the valuation of so-called intangible assets for M&A transactions. These are usually patents and other contracts involving intellectual property rights. They were at the time a point of contention in the profession, since it was often claimed that foreign companies could only operate in China by doing joint ventures with local large firms, who would then “steal” or use their knowledge supposedly protected by law. In our interview, Ms Li considered that “internationalized” Chinese companies, including large state-owned companies (SOEs), had adopted the “universal” valuation standards that the company she was an associate of fostered all over the world. The other companies in China would eventually catch-up, she explained. In quite teleological terms, she considered that Chinese SOEs would thus become normalized investors and investment objects that could readily fit the valuation and investment procedures shared in the financial industry worldwide.

Standardized procedures in the financial industry worldwide include valuation and investment methods for SOEs stocks and bonds and for bonds issued by states. They are concerned with assessing whether the state will pay dividends, interest and principal, and establish a hierarchy stating that states with a higher risk of default or delayed payment should pay higher rates. These procedures define “sovereignty” as a power of the state that must be at the service of the figure of the

“investor”, whose interests should have priority over those of the polity (Ortiz, 2021b). States whose bonds do not conform to standard legal clauses to protect buyers may be left out of the “investment universe”. On the other hand, those considered strong enough to guarantee payment in all circumstances, for instance by raising taxes or diverting other public expenditure money, are considered “risk-free” (Boy, 2015; Lemoine, 2016; Ortiz, 2021b, 2023). Between these two extremes, there are standardized hierarchies that make states comparable as investment objects worldwide. Ratings for sovereign debt produced, quite homogeneously, by the three major rating agencies are probably the most influential and renowned of them (Sinclair, 2005). But there are many other ratings and rankings to assess what is usually called “country risk”, such as the “Doing Business” report by the World Bank (2021)¹⁵ or the corruption barometer published by the non-governmental organization Transparency International (2022). As Fourcade (2017) has highlighted, these rankings include moral repertoires that legitimize the hierarchy in terms of creditworthiness and that conflate culturalist imaginaries of nations, state policy and the promise of profits. Financial professionals determine where to orient how much money and how much return to require, partly using these hierarchies.

Between the 1980s and 2010s, International Monetary Fund aid was tied to so-called structural adjustment programs that explicitly aimed at making poor states fit the definition of investment object of the financial industry (Stiglitz, 2006). Across the diversity of criteria, a recurrent rationale consists in considering that, as “sovereigns”, states should guarantee returns for investors and otherwise ensure that “market efficiency” leads to an optimal allocation of resources without state “interference”, for instance by privatizing SOEs to ensure they focus on maximizing shareholders’ and bond holders’ returns, instead on giving priority to a broader public or citizens in general.

Rich states dominate this hierarchy. Their bonds pay the lowest interest rates and establish the standard of comparison for all other financial assets considered to have some “risk”, including listed companies and financial derivatives (Ortiz,

¹⁵ This ranking is currently being redesigned.

2021b). The concentration of money in the stock exchanges and sovereign bonds of the US, Western Europe, Japan and China articulates power relations among states that result from a complex history of colonialism, world wars, the Cold War and the concentration of manufacture in China since the 1990s (Ortiz, 2021a)¹⁶. Rankings and ratings reflect and contribute to reproduce these power relations among states that result from processes that go well beyond financial solvency, including technological superiority, warfare capacity and the global status of stately currencies. States' relations with the financial industry vary greatly depending on their places in these multidimensional hierarchies. In recent years, while rich states sold sovereign debt at negative rates, meaning the financial industry paid them to place part of its money in assets deemed risk-free, other states were on the contrary forced to reshape their fiscal and monetary policy to guarantee, by “de-risking”, the positive rate of return for the money held by the financial industry (Gabor, 2021). The procedures of the financial industry have thus an important role in the hierarchical global organization of states' supposed sovereignty in monetary and fiscal policy, itself fundamental in how states produce and transform social hierarchies through money distribution.

The people I observed did not purchase state bonds but used these hierarchies to make sense of relations with SOEs and, more largely, to consider their relations to states when they enacted the figure of the “investor” in their professional practice. They held varying, sometimes conflicting views, about the shifting place of the Chinese state in these hierarchies, comparing it to “the rest of the world” and, in particular, to the entities occupying the top, diversely designated as “the West”, “Europe and the US” or “developed economies” including for instance “Japan” and “Singapore”. For most of the people I observed, this hierarchization was complex because different criteria seemed to yield different results. Determining whether to purchase stocks of companies in “China” depended on how it could be compared to these other entities, for instance in terms of the returns obtained from doing so and the willingness or capacity of the state to prioritize the figure of the investor.

¹⁶ The focus on colonialism proposed by some global sociologists (see Bhambra, 2013) must thus be complemented with the analysis of its intersection with other power relations (Bear et al, 2015; Dunaway & Clelland, 2017).

For decades, the hierarchy has situated rich states in Western Europe, the US and the Japanese state at the top. Since the 1980s, governments of these states produced regulations aiming at expanding the global reach of their national financial industry, both opening their territories to the operation of large global financial companies and favoring privatizations and consolidations in the financial sector. The largely non-state-owned financial industry that produces these rankings and ratings has itself developed backed by state regulations as part of power relations among these states (Abdelal, 2007; Helleiner, 1994; Krippner, 2015). In China, the financial industry was almost inexistent between 1950 and 1980 and, until the early 2000s, the Chinese state was mostly excluded from the “investment universe” of the financial industry. Since the 1990s, the financial industry became a strategic state-owned sector composed of hundreds of banks, investment funds and insurance companies. In the mid 2000s, SOEs were “corporatized”, i.e. reorganized like private for-profit companies and often listed in stock exchanges, but with the state retaining ownership and control with the aim to foster GDP growth and strategic economic policies (Chong, 2018; Hertz, 1998; Petry, 2020; Wang, 2015). Until the early 2000s, China was part of the marginal category of “Emerging Markets”, to which the financial industry only allocates a small portion of money. The Chinese government itself appropriated this label, for instance, in the negotiations for its entry to the World Trade Organization in 2001. But by the early 2000s, Goldman Sachs had managed to marketize a new category, “BRICS”, that claimed that Brazil, Russia, India, China and South-Africa stood outside the category of Emerging Markets due the size of their GDP and their high yearly GDP growth rates, among other criteria.

In the mid 2010s, China’s GDP was the world’s second biggest and its yearly GDP growth remained among the world’s highest. The capitalization¹⁷ of Shanghai, Shenzhen and Hong Kong stock exchanges combined was only second to the capitalization of US stock exchanges combined, and bigger than that all European stock exchanges combined. The capitalization of Chinese state bonds was similar

¹⁷ Capitalization is calculated by multiplying the price of securities by their number. It is a measure of size that informs the global hierarchies produced by financial professionals.

to that of the largest European states. This challenged any comparison with the other members of the BRICS and happened while in Europe and the US GDP growth was small and SMEs faced funding difficulties following the financial upheaval of 2007-2008. During 2008 and 2012, in China, the assets of the overwhelmingly state-owned banking sector almost doubled and annual GDP growth remained around 8%. Many Chinese companies had thus access to funding that allowed them to purchase SMEs in Europe and the US to appropriate their technologies. Many of the people I observed remarked that this was aimed at developing these technologies for the “Chinese market”, where GDP growth promised much higher rates of profit than in Europe and the US. In 2016, for the first time, “outbound” FDI exiting China (216 billion US dollars) surpassed “inbound” FDI (174 billion), a result that was increasingly forecasted in the years when I did my observations (World Bank Group 2021). The Chinese state and its SOEs seemed thus to be a center of global funding and the most promising place to invest, without having undergone privatization and within a project where state aims remained officially a priority. Ms Li’s words did not mean that the Chinese state was doing what other “emerging markets” were expected to do. Corporatized and state-owned, SOEs were now simply compatible with the “universal” rules of the financial industry.

Mr. Martin saw this differently from Ms. Li. A chief financial officer of the Shanghai subsidiary of an industrial company listed in Europe, he was in charge of an M&A operation where his company purchased shares in an SOE to establish a joint venture. He explained the price had not been set according to the valuation and investment methods he had used in the 30 years of his career, but by a third party designated by the Chinese state and in agreement with the State-owned Assets Supervision and Administration Commission (SASAC), which manages all Chinese state-owned assets. They favored giving a high price to the land on which stood the purchased facilities based on prices of current transactions, as a way to discipline managers who could otherwise sell it a low price in exchange for bribes. This went against the preferred method of assessing future profits, expected by financial analysts in Europe. After the purchase, he explained, the joint venture was partly managed by a committee of managers who were CCP members, from which

he was excluded, although this did not appear in the purchase contract. To him, this was proof that China was run by “Leninists” who had no intention to “adapt to us”, by which he meant the standards he considered mainstream in the US and Europe. Eventually, he said, this would lead to a conflict between “China” and “the West”. Mr Martin explained that if the company where he worked nevertheless invested in China, it was because returns promised to be higher there than elsewhere and that the potential growth of activities there in the future meant that the company could not afford not being there, thus opposing threats and promises for the figure of the investor.

The people I observed defined state sovereignty using methods and rationales standardized in the financial industry, which create a hierarchy among states depending on their global power, their capacity and willingness to give priority to the figure of the investor over other social actors and their support for the activity of private companies in finance and other sectors. The Chinese state occupied a complex position in this hierarchy, allowing for multiple views that explored different aspects of the rankings and interpreted them in the moral and political meanings that these global hierarchies entail. At the same time a source and promise of profits, the Chinese state was also identified as supporting its own aims in a way that would be compatible with, but still above those of the figure of the “investor” that professionals mobilized in their everyday practices. These various understandings of the state as investment object informed the way in which financial professionals oriented the money they managed. In the next section, I show how this went beyond the definition of the state as an investment object, into the consideration of the “economy” and the “culture” or “nation” as sites where the state had influential roles for the potential gains of the financial industry.

States, economies and populations

In 2013, I interviewed Mr. Tang, a 25-year-old financial analyst working in a VC fund in Shanghai. The fund where he worked collected money from investment

funds based in China and Europe, not backed by any state. He explained his employer competed with about 6000 VC and PE funds in China, funded by the vast amounts of cash controlled by state-owned banks, which resulted from regulations preventing middle classes from taking the money out of the country and policies to boost bank lending since 2008. The fund where he worked purchased shares of companies in China and Europe, with a distinct strategy for each territory. The aim was to help Chinese companies acquire European technologies to develop them for Chinese consumers and to help European companies develop their business in China. In China, he said, start-ups could hope for yearly sales growth rates of about 30%, something unthinkable in Europe. To do this, the strategy was to “go where the government goes”. This meant investing in the sectors of activity officially supported by the Chinese government, which were expected to grow more than the rest. After obtaining a BA and an MA in business administration in Europe, he planned to stay in China, where he grew up and where GDP growth rates promised a career that he considered unlikely anywhere else.

Foucault (2004) showed that the idea that economy and population are identifiable entities with specific logics that the state can act upon is a particular imaginary of state power that must be understood not as a reality of the state, but as a project that specific actors attempt to enforce (see also Mitchell, 2008). Guyer showed, then, how this imaginary is appropriated, transformed and mobilized by people who are not officially state agents, when they try to make sense of their own monetary practices (2016). The people I observed, like Mr. Tang, explored various views about the difference between economies and populations and how states would act in them, in order to stabilize their business strategies and personal trajectories. They mobilized the understandings of states as investment objects described above and combined them with other ideas about the capacities of the state to influence GDP growth, the structure of the economy and the prosperity of certain sectors of activity. In this process, they also tried to make sense of the role of the financial industry and of their own practices within these economies and populations. Thereby, they connected their own practice to moral and political ideas about what the economy should be and which population they belonged to, often

defined in terms of culture and nation. Deciding where to collect and channel the money was thus partly organized and legitimized along these repertoires.

Set up by four partners in the mid-2000s who quit their jobs at big banks, Merge Consulting's main source of income came from M&A transactions conducted in Europe. They specialized on SMEs, too small for the banks they previously worked in and often referred to them by contacts there. I joined as a consultant in 2015 to replace Peter, the head of the Shanghai office whom I had met as interviewee in 2013. When I first met John, one of the associates of Merge Consulting, in 2015, in his hometown of Villagiund, he asserted that in Europe, states' excessive intervention in the economy led to economic stagnation and in China it was government policy that led to high GDP growth. They set up an office in Shanghai in the early 2010s, with two people, to benefit from what they saw as the increasing purchase of European SMEs by large Chinese companies. The strategy was to sell European SMEs focusing on activity sectors deemed strategic by the Chinese government, such as clean energy technologies, or those benefiting from the Chinese government aim to "rebalance" the economy by fostering internal consumption, such as health, education and tourism. The luxury sector, on the contrary, was to be avoided because the Chinese government associated it with the gift exchanges that fueled corruption among bureaucrats. John and his partners thus held different views about what states could and should do according to the national economies where they existed and operated.

During my observations, Merge Consulting completed the sale of Bolbus, a subsidiary of a European family-owned company named Calcus. The buyer, Alpha, was a large company listed in Shanghai and whose majority shareholder was Monatu, an investment fund based in another Asian jurisdiction. Calcus' owners had agreed with Merge Consulting to propose selling Bolbus for 15 million euros. This was mainly based on valuation methods that assessed future profits for Bolbus in China, benefiting from government support for the private health sector where the company operated. Monatu's representatives considered this price cheap because it was lower than share prices of comparable companies listed in Chinese stock exchanges. Financial analysts would consider it a bargain, leading to an

increase of Alpha's share price and hence of Monatu's portfolio. This was in the context of a steady price rise in Shanghai and Shenzhen stock exchanges since early 2014. According to John, the transaction was helped by the "bubble" in Chinese stock exchanges, itself partly due to the regulations that prevented middle classes from putting their money elsewhere, especially abroad. Yet, in mid-2015 stock prices fell sharply, making the 15 million look more expensive and endangering the operation. To stop the price decrease that threatened middle classes' savings, the Chinese government set up a combination of investment funds, officially named the "national team", that purchased around 200 billion USD of stocks in a few weeks. This came with regulatory changes and strong governmental discourse declaring the fall a threat to social stability and due to market inefficiencies whereby prices did not reflect steady GDP growth. Eventually, the drop stopped, leaving prices below their peak of a few weeks earlier, but still above those of early 2014, maintaining gains for longer-term buyers. Merge Consulting's fees were thus saved by strong governmental intervention in stock prices. John expressed mixed feelings. He said that the intervention had saved the deal, but it went against his view that the state should not take part in financial transactions. Thus, depending on the occasion and the capacity to obtain monetary gains, he would favor government action to sustain GDP growth, support certain economic sectors and even purchase stocks to influence prices, while retaining the idea, closer to the repertoires of states as investment objects, that states should only guarantee the rules of exchange for private actors without other influences on their actions.

Like other associates of Merge Consulting, John partly distinguished different relations between state and economy in terms of populations defined in terms of nation and culture, thereby also positioning himself in one of the groups. What he hoped for Europe as European was different than what he expected and imagined for China. In most interviews, people expressed to me their belonging to some national or cultural entity. Ms. Li and Mr. Tang considered themselves Chinese and Mr. Martin expressed belonging to a European nationality. They related this belonging to their professional practice sometimes in support and sometimes against policies of what they considered "their" governments. The members of

Merge Consulting in Shanghai, like other intermediaries in cross-border transactions I observed, attempted to produce a view that maintained the idea of distinct national or cultural entities, but asserted that this difference could be bridged by their professional and personal experience, so that money should indeed be directed to the Chinese territory, but only under their careful guidance. In that process, they also fostered the idea that the populations and economies where these states operated would eventually become more homogeneous, not in a teleology like the one expressed by Ms. Li, but as a new entity.

While Merge Consulting's members would talk of themselves as "Western", "Chinese" or belonging to some European nationality, their marketing discourse claimed that the "mixed" composition of the company helped them operate across these differences. The Shanghai team was composed of Vicky, Chinese citizen in her early 30s who used an English name in interactions in the company and Peter, of Western European citizenship, in his early 40s, with whom I coincided for a few weeks and whom I later replaced. Sometimes they used the concept of culture to express elements of their personality or of their life in Shanghai. But they also used the word "culture" at work to address conflicts, misunderstandings and spaces of negotiation in a way that allowed avoiding to state there was a direct confrontation. This could concern very different things. Vicky and Peter considered that cultural differences explained why members of Merge Consulting were surprised by government intervention in stock prices and why Chinese companies refused paying operating fees before completion of a deal, against the general M&A practice in Europe and in many other places. Other examples concerned legal interpretations of a contract's clause, understanding the career of CCP members, consumer trends, regulatory changes, different perspectives on future profits in a deal, or matters of protocol in addressing high-rank officials. In one of our meetings, Peter, exasperated after a conflict with a potential client, told me it would take "one generation" for the two sides to eventually "understand each other". He thus situated his job between entire populations that he defined as different cultures that could only come together by learning and convergent upbringing in a distant future.

Professionals combined these repertoires with their personal professional and

non-professional trajectories. After five years in Shanghai, Peter went “back” to Europe, where he hoped to meet someone to start a family with. He developed a consultancy for Chinese companies investing in Europe and published a book on “cross-cultural” management. Vicky wanted to stay in China, where she had a partner, family and friends. But she said she would not work for Chinese companies, because of the “culture” of male directors discriminating against young women like her, without highly placed contacts or an elite education, while Merge Consulting associates had let her expect becoming an associate of the company in the future. In very different ways, Mr. Tang, Ms. Li and Mr. Martin all mobilized the idea that their professional practices consisted in moving money across borders distinguishing entities identified as economies and populations and considered to be heavily affected by the actions of states. Thereby, the way in which they contributed to determine inclusion or exclusion from the money they managed established hierarchies among these entities.

As we saw in the previous section, the definition of states as investment objects contains a tension between the assertion that they should foster privatization and private companies’ independence and the expectation that they would use their sovereign power to impose on the polity a hierarchy of monetary distribution that favors the returns for the money managed by the financial industry. In this section, we can see that these repertoires are combined with others, implying multiple definitions of states, economy, population and their relations. Financial professionals mobilize different theoretical, moral and political views about the supposed capacity of states to transform this economy and operate within a population, imagined in terms of nation and culture. And they combine these views with understandings about their own belonging to a particular population. They also combined these repertoires in cases when they considered states as business partners.

States as business partners

Between 2013 and 2015, I met several times Mr. Jones, who co-directed a VC fund in Shanghai. He purchased start-up shares in China and Silicon Valley for these companies to develop in China, where, he said, labor costs were lower, even for engineers, and where they would benefit from high GDP growth and state support for technological innovation. His office was on a street where VC funds and many start-ups were located, next to a major university. This was a hub created by the local district authority, which, together with the Shanghai municipality, owned 51% of the money managed by Mr. Jones. They also helped with tax rebates, as part of a project where the municipality supported 48 VC funds in the city. The rest of the money belonged to sovereign funds from the Middle East and to multinational corporations headquartered outside China. He specialized on start-ups working on clean energies and advanced technologies, deemed strategic by the Chinese government and useful by the corporations investing in the fund. The “exit strategy” mainly aimed at selling the start-ups to these corporations through M&A. Funded mainly with money from the Chinese state, his fund supported policies of Middle-East states, the Chinese central government, the Shanghai municipality and the local district authorities as well the careers of start-up members and the technological research and development of multinational corporations. He explained, also, that the Shanghai municipality’s representative participated in meetings without voting and was there “mainly to learn how to do this”.

During my observations, I met several people who, like Mr. Jones, conducted financial valuation and investment as part of a contractual relation with state agencies. They were not officially state employees and they could combine these practices with others where no state organization was officially involved. In these practices, explicit policy aims were combined with standardized procedures of valuation and investment to obtain monetary gains, in a way that could be varyingly compatible or contradictory with the repertoires of states as investment objects. Also, in these relations, states could appear as business partners that were more, less or equally powerful to financial professionals, not always corresponding to the repertoires of states as authorities with the capacity to organize the population and the economy. Roitman (2005) explored situations where people worked as state

officials during the day and as road bandits at night. These people mobilized contradictory imaginaries of states and of the legitimacy of monetary gain. They sometimes explicitly addressed the contradiction, but most often attempted to avoid it by compartmentalizing different meanings within different social relations. Roitman remarks how, in this process, these people contributed to transform the meanings of states and monetary gain, including notions of national identity (see also Das and Poole, 2004; Sharma and Gupta, 2009). These insights are useful to understand that the financial professionals I observed did not always address the different meanings of states at the same time, especially when they could distinguish their business partners as state or non-state actors. But they could also operate with the potential contradictions that occurred in particular situations. The people I observed used these repertoires to collect and distribute money, comparing different states and partly elaborating their national identities in the process.

Mr. Jones was born and grew up in Europe and did a BA and MA in China. He explained that he moved to the US to do a PhD “as a Chinese”, following what most of his classmates in China wanted to do at the time. For him, claiming this identity was compatible with his partial mastery of Chinese language and the fact that in China he would be usually identified as “Western” and “foreign”. He did this as he explained that he wanted to live in China in the long run, partly because it was the best country in the world to develop the technologies he studied in his PhD using the financial methods he learnt working in Silicon Valley before coming to China. He established a hierarchy among states depending on how they supported start-ups. “Well, in Europe, I would argue there is too much involvement of the government in investment. I first tried to invest in French and Finnish companies, some in Italy. We didn’t do any investment”. Within the European group, he said, “the Finish agency [...] is by far the best one [...] they had a local CEO here in Shanghai, they were very well connected so they were getting a lot of money but not delivering great value, so they dissolved that group [...] so this would be a good year to work with [them]”. Offering higher returns to the agency backed by the Finnish state could thus attract their money to the start-ups where his fund tended to invest. On the contrary, he explained that companies backed by the French state

were not allowed to develop in China because they could only hire people in the region of France from where they obtained public funds. Above them all stood funds backed by the Chinese state, without such restrictions and allowing to invest in start-ups located anywhere: “Shanghai funds are worldwide funds [...] they work to create value [...]. All the funds that are centered on creating jobs they defeat the point, you don’t create jobs by concentrating on creating jobs, you create jobs by solving someone’s problem [...] so you know, France is more and more moving the other way”. Mr. Jones elaborated on his national and professional identity by combining repertoires analyzed above, according to which states should not “involve” themselves “in investment”, yet they should fund technological development as part of national and geopolitical strategies and could then outcompete competitor states in the global space of operations of the financial industry.

While states were the main funders of Mr. Jones’ VC fund, for other professionals, commercial relations with state employees concerned a smaller part of their activity. In these cases, they combined the repertoires of state agents with standardized procedures of valuation and investment only in part of their practice, leading to a variety of combinations, tensions, fragmentations and contradictions. Merge Consulting signed contracts with two municipalities, Zhongzhen in China and Villagiund in Western Europe, to provide them various services. For Villagiund’s municipality, Merge Consulting was expected to create connections with public administrations and companies in China potentially interested in establishing political and economic relations with the municipal authorities or with companies established in its territory. During my observations, an official event was thus organized in Villagiund, where the Chinese ambassador came to participate in ceremonies bringing together companies from China and the city. This event fostered transactions and the political career of the people leading the municipality. They expected to use it in future electoral campaigns as proof of their contribution to the city’s inhabitants’ economic wellbeing. Merge Consulting members explained to me that the municipality put them in competition with other M&A consultants working in China who also contributed to the event, pressuring them to

offer more services at lower prices. For Zhongzhen's municipality, Merge Consulting was expected to bring European companies to their Special Economic Zone (SEZ), where they would obtain tax rebates and contribute to developing high technologies in line with the central government's directives for economic transformation and GDP growth. These were also crucial evaluation criteria for the municipal team members' careers in the administration and the CCP.

As part of these relations, for instance, the Zhongzhen municipality introduced a large SOE in the construction sector to Merge Consulting, as a potential buyer for Rubba, a European SME specialized in waste management optimization for residential buildings. In China, central government regulations pushed for increasing use of environmental protection technologies in the construction sector, which state-owned banks had financed for decades to increase GDP growth. Before the meeting, Merge Consulting members had explained to Rubba's owners macroeconomic transformations in China, outbound FDI policy, and career concerns of the SOE's CCP leaders. These factors would affect price, timing and the possibility of completing the deal at all. If Rubba was purchased, it would settle in Zhongzhen's SEZ benefiting from tax rebates. Although the deal failed, officially because Rubba's price was too high, Merge Consulting considered that exploring its possibilities was already a successful way to establish long-term relations with the local authorities. Merge Consulting could also work for SOEs in Western Europe. We were thus approached by a mayor of a small European city seeking funding to build a sports facility. The facility would belong to the state, but its proceeds would be tied to a fixed income security that the municipality hoped to sell to Chinese companies. When contacting potential buyers of the bond in China, we had to explain to them the independence of the transaction from the fact that the mayor could lose his job after the next election and the meanings of the state's investment in public facilities.

On the way to meet with the SOE's managers, Mr. Schere, one of Rubba's owners, said that he expected that increasing international exchange would lead China's state to come closer to European political systems. When I explained that it helped legitimize the CCP's economic strategy, he said with disappointment: "oh,

so by selling them our technology, we are helping them”. I had probably offered too contrarian a view for my role as consultant in the moment, but this did not prevent him from trying to sell his company. Mobilizing first the teleological repertoire about states as objects of investment, Mr. Schere moved next to consider the Chinese state as just another commercial partner devoid of any political meaning. This kinds of shifts and combinations of repertoires about the state were possible within limits depending on each situation. They were mobilized and created anew in order to make sense of transactions and collect and orient money using financial methods of valuation and investment. Thereby, these repertoires were central for the viability or exclusion of clean energy and other environmental protection technologies, but also for public projects in sports, health, education and tourism, in a global comparison of states as business partners.

State rules

Mr. Dupont was a lawyer specializing in M&A. In his mid-forties when I met him for the first time in 2013, he had been in China for six years, after a career in Europe. He explained that M&A contracts are very standardized, with often just a few slots to fill from one contract to another. But in China, laws and regulations shifted, opening and closing uncertainties and opportunities: “the laws are always changing. [...] Certain areas of law are simply getting more clear, getting more dense, more regulations, less question marks than before – that’s good. I mean those rules are not always beneficial but at least they give clarity [...] so that is good [...] Sometimes [...] it doesn’t make sense [...] they hear complaints from investors that tell them... they take the notes [...] And in that respect sometimes things are improving [...]. Not every improvement is, as I say, always beneficial; sometimes you have new rules which are just making things more clear but which also mean that you need an additional layer of authorities to get involved. Very seldom things are either black or white here in China, there are all kinds of shades in-between; but that makes it so extremely interesting to work.” What Mr. Dupont designated as

“beneficial” concerned the capacity of the companies he worked to secure legal ownership of their money and what they bought with it, as well as control over how that money could be used. State laws and regulations were in part the realization of the kind of capacity attributed to the state to organize the economy and the population but were also gauged in terms of the repertoires of the state as an investment object that needs to adapt to what “investors” say. And the fact that rules could be detrimental to financial activities also pointed to the idea that the lack of rules also offered “beneficial” opportunities.

An important part of financial regulations enforced by states was established in cooperation with the financial industry, leading to a standardization of legal instruments worldwide and to an effective state-backed institutionalization of the central role of the financial industry in the production and distribution of money (Angeletti & Lemoine, 2021; Harrington, 2016; Hoang, 2022; Mugler, 2019; Pistor, 2019). Power relations among states are partly organized through financial regulatory frameworks, concerning, for instance, tax regimes, identity disclosure or definitions of corporate property and liability (Harrington, 2016; Maurer, 2004; Pistor, 2019). The people I observed assessed both the content of laws and regulations and their status in professional practice. Financial rules, as Dupont’s comments show, can be considered as helping or hampering certain financial practices. But, as I will show below, some practitioners were close to the cases studied by Roitman (2005) in another context, where they consider partnering with state officials in order to avoid applying certain rules (see also Sharma and Gupta, 2009). In this process, they mobilized the repertoires described in the previous sections, concerning standardized hierarchies among states, views about the relation between states, economies and populations and relations with specific state agents.

Mr. Dupont explained that the status of the law varied depending on participants’ nationality and connection to state authorities. Echoing Mr. Martin’s description, he cited cases where Chinese companies with strong links to local authorities could disregard many national and provincial regulations concerning taxes, environmental protection and labor without risking punishment from judicial, local or national authorities. Yet, once a foreign company purchased their facilities

the same authorities would require stricter compliance, which meant reduced profits due to higher costs and sometimes investment to palliate previously overlooked faulty designs in terms of environmental protection. He also described a transaction where a foreign company tried purchasing an SOE, whose management claimed that part of its loans were not real liabilities, because the state-owned bank that lent them would roll them over and never ask repayment of the principal. Yet, this same loan would become payable for the new owners. Foreign companies could try to benefit from these situations by keeping the previous management in the company after the transaction. Former management thus held more power, and could eventually leave the company, taking the know-how and the employees and set up a new similar company nearby. He cited such cases, saying judges would never punish CCP members who did this, even if it was against the law.

Mr. Dupont said that this relation between companies, banks and local authorities, sometimes against laws and regulations, allowed lower costs and flexibility that were partly to be credited with the GDP growth that attracted his clients and himself to China, even if the nationalist component of the arrangement made sometimes things harder for his clients. But it was this promise of GDP growth that made the deals worth their price so, for him, the various statuses of the law were part of a broader set of calculations about profit, in a temporal transformation that he viewed in teleological terms. He explained that what he saw in China reminded him of what he had seen in Germany at the beginning of the 1990s. He considered the transformation observed in Europe was due to the objective superiority of the rules developed there, so China would necessarily follow a similar path: “in Germany 20 years ago (...) it was provincial (...) I had to explain to really good German lawyers what a due diligence is and they were like: “What is this?” that was really questions that you got. And so therefore it’s... but then why did it happen so quickly that those markets learned? Because simply those routines of procedures as they were handled in the Anglo-Saxon world were superior because they were based on an established... on an on-going market (...) And here we’re simply behind and maybe it will not happen that quickly and it will not be handed over just to the market like “You may see what you think is good and

you take care of yourself”. Here it will be some authority but also they will understand and allow things.”

Merge Consulting members also combined contradictory repertoires about the status of the law. M&A transactions involve standardized contracts that, before the deal is signed, concern in great part information disclosure. A common concern was that if a seller whose production facilities were based in China disclosed too much about them to a potential buyer that was an SOE, the SOE would attempt to hire the experts working for the seller and replicate the facilities without having to purchase the company. Merge Consulting members considered that no judge would accept to rule against an SOE, even if this behavior was illegal. Non-disclosure agreements and contracts would therefore not provide enough protection, and information disclosure had to be done assessing this potential danger.

Partly to address these issues, Merge Consulting, like many other people I interviewed, organized transactions through Hong Kong, whose regulatory framework was especially designed for this kind of operations. The former British “concession” was “returned” to the People’s Republic of China (PRC) in 1997. While much investment into China came already through Hong Kong in the 1980s, the territory increasingly acquired the role of a gate for money to come in and out of China, with regulations giving tax rebates and allowing transactions across the border of the PRC and Hong Kong, and of Hong Kong and the rest of the world, that were not possible across the border of the PRC and the rest of the world directly. The sale of Bolbus was conducted through shell companies in Hong Kong, which provided lower taxes for all participants and preferential regulatory treatment for companies based in Mainland China. On the other hand, both Calcus’ owners and Alpha’s representatives insisted that the contract be drafted so that the applicable law would be that of the European jurisdiction where Calcus was based. The explicit explanation from both sides was that they considered that judges were more independent from political authority and corruption in Europe than in China, and therefore the contract would be more easily enforceable in case of dispute, using a repertoire similar to those proposed by Mr. Martin and Mr. Dupont.

At the same time, for Merge Consulting members, this supposed capacity of

SOEs and state agencies to circumvent the law could also be considered an opportunity. After the sale of Bolbus was agreed, Alpha needed the approval of the Ministry of Commerce to pay for the transaction by transferring funds from its bank accounts based in Mainland China to Hong Kong, from where they could be transferred to Western Europe. This added a few more weeks to the completion of the transaction, which the associates of Merge Consulting had not anticipated. It also entailed the risk that the ministry refuse the transaction altogether. In an exchange with Vicky and I, Jack, one of the associates, exclaimed that he found Monatu's argument that all they could do was to wait "unacceptable." He considered that since the "national team" had also purchased stocks of Alpha, the company was now part of "the system," and should be able to mobilize its newly acquired connections within the CCP to make the administration go faster and allow the money to go where he wanted. While Vicky and I considered that this interpretation was mistaken, the associates considered that the argument was a legitimate way to put pressure on the counterparty.

The people I observed mobilized state rules in various ways, considering their content as helpful or detrimental to the way they wanted to collect and orient the money they managed. They also considered the status of these rules and whether they would be applied or whether they could be circumvented, including with the help of state agents. In these processes, they combined their views of state rules with the repertoires explored above, sometimes considering the state as an imposing power, sometimes as a submissive or docile investment object, sometimes gauging the concerns and trajectories of the state agents involved in their operation, and sometimes combining the three repertoires in different ways. Doing so, financial professionals compared states as rule makers, jurisdictions where rules would be applied and state agents as their enforcers, establishing global hierarchies that could include teleological imaginaries about a financial global homogenization. In all these cases, the multiple meanings of state rules and of the state involved in them articulated tensions between the various aims of public authorities and agents and the standardized methods of valuation and investment of the financial industry.

Conclusion

Money can serve as analytics to study inequalities and social hierarchies globally, when we look at how it is distributed and what are the rules of who can do what with it. States and the financial industry play a central role in the global production and distribution of money. Looking at their relation is thus a useful site to develop a global anthropology concerned with power relations. Financial professionals mobilize different imaginaries of states to determine monetary distribution. These imaginaries concern different state practices and definitions of what states are and how they should relate to the financial industry. Different professionals use them to hold different positions at different times. Through these practices, they contribute to produce states as part of their professional practices, even when they do not work directly with state employees. Financial professionals thus produce states and the financial industry together and at the same time assert that they are different institutions. To analyze these practices, it is therefore useful to stay attentive to these multiple imaginaries and processes of co-constitution and differentiation, instead of using the distinction between states and the financial industry as analytic starting point. In this paper I have done so by studying a small group of people operating mainly between China and Europe and the US. The examples studied here concerned healthcare, clean energy and other high-end technologies. Other examples would probably allow for exploring different repertoires of finance, states and their relation, and show how they are central in the way money is distributed globally.

Historically and still today, states and the financial industry have been mutually constituted in a relation that includes interdependence and conflict. This relation results from a history of power relations among states that includes, among others, colonial conquest, world wars, the Cold War and its aftermath. The study of monetary distribution worldwide must therefore consider the complex global relations among states that are articulated in part through the activities of the financial industry. Looking at only one state's relation to the financial industry and

focusing on its avowed attempts to defend national democracy against a powerful global actor may run the risk of legitimizing the fragmentation of world population along nationalist lines and silencing the fact that states are also constituted through power relations among each other. These hierarchies among states are fundamental in the production of global hierarchies and must therefore be considered when we study the practices of the financial industry.

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Chapter 6

Ortiz, H., “Times of finance: methods, states and organizations”, article in preparation

This article analyzes the relation between time, money and power in the financial industry, looking at the way in which financial professionals produce social hierarchies by distributing money according to the temporalities of financial methods, the states in whose territories they operate and the organizations where they work. The article is based on research conducted in 2011-2016, with 50 interviews with professionals working on cross-border investment in venture capital, private equity and mergers and acquisitions (M&A), and 10 months of participant observation in Merge Consulting an M&A consultancy firm in Shanghai. The relation between time, power and money this article focuses on concerns the fact that valuation and investment by the financial industry creates social hierarchies, by how it includes or excludes social activities from access to money, and how it imposes transformations on those that receive the money. The article focuses in particular on the activities of Merge Consulting to show how professionals organized monetary distribution combining the temporalities of the financial methods of valuation used for stock valuation with imaginaries of time concerning state policies, geopolitical tensions and ad hoc interventions and with the steps and rhythms of M&A transactions and of the career trajectories of the professionals that compose it.

Peebles (2010) highlighted that participants in credit and debt relations can relate through shifting power relations organized around the rhythms and temporal horizons of payment and reimbursement. He shows how people engage in multiple

temporalities of credit and debt that can be contradictory, disconnected or reinforcing for each other. In contrast to this approach, some analyses of finance tend to foreground a singular form of temporality that it would impose on the social activities it includes or excludes from the money it manages. Mobilizing Marxian understandings of capitalism, some authors consider that finance belongs to a single major temporality that corresponds to the repetitive cycle of capital accumulation. Sewell (2008), for instance, remarks that production cycles and their crises appear always unique and contingent on the multifarious temporalities of social life, but their repetitive logic also reproduces a temporal pattern. Capitalist expansion appears then as a process of absorption of the multiplicity of time into the repetitive time of capitalism. This article focuses instead on a multiplicity of temporalities, showing how financial professionals mobilized them in various ways in everyday practice. Sociological and anthropological studies of time have highlighted that everyday practice is implicated in a great variety of temporalities that coexist and are combined in multiple ways (Abram, 2017; Bear, 2016; Clemens, 2007; Pink & Salazar, 2017; Wacjman, 2015). Imaginaries of time can concern different time horizons or timescapes and, within them, they can be marked by different rhythms and understandings of how time unfolds and how past, present and future are connected (Tavory and Eliasoph, 2013). These different temporalities can be connected to different social relations and different social identities of the same actor, and can include reflexive processes where actors contribute to redefining temporalities (Hitlin and Elder, 2007; Tavory, 2018). Actors can then give them technical, naturalized or political and moral meanings that can change depending on the social interaction (Bear, 2016).

In the study of organizations, researchers have highlighted that organizations mobilize existing notions of time, such as clock-time, that stand outside of them, but also contribute to create temporalities, for instance by establishing repetitive procedures and by the notions of time implicit in technical tools (Hassard, 2002). Studying this requires staying attentive to the way in which standardized procedures only exist as they are appropriated and potentially transformed or adapted in everyday practice within organizations (Timmermans

and Epstein, 2010). In these processes, employees combine the multiple temporalities that officially compose their work with personal trajectories and other temporalities concerning, for instance, social identities such as gender, age or nationality (Lee and Liebenau, 1999). Concerning companies seeking to attract shareholders and creditors, for instance, financial and accounting methods represent the companies as a series of appropriable cash flows that follow the regularity of quarterly and yearly accounting cycles (Lambert and Pezet, 2010; Muniesa and Doganova, 2021; Power, 2012; Roberts, Sanderson, Barker and Hendry, 2006; Robson, 1992; Takatera and Sawabe, 2000). The organization of companies must then transform and adapt to these temporalities in order to access money and keep operations. The question of power concerns then which organizations or entities are entitled to determine the temporalities of monetary distribution, and hence the temporalities of the constitution of social hierarchies.

Studying finance, some authors have shown how it tends to impose a speculative logic where social life is commodified and evaluated in the short-term span of price variations conceived as opportunities of capitalistic profit (Bear, 2020). Other studies have shown how rent seeking investment reduces social activities to temporal horizons where their profits can be appropriated, for instance by discounting future cash flows and considering them as appropriable “present value” (Nitzan and Bichler, 2009; Doganova, 2018). Finally, other studies have highlighted that the pervasive use of probabilities in financial investment and valuation connects these practices to theological imaginaries of time that presuppose a cosmic stability where averages, correlations and other mathematical relations can be considered as meaningful relations between social events (Maurer, 2002; De Goede, 2005). Brought together, these studies show a variety of temporalities within the financial industry itself.

In the case I present here, financial professionals seeking to conduct M&A transactions also took into account temporalities connected to states. I propose to approach the practices whereby they took into account different imaginaries of states as practices that contribute to produce states, in line with studies that foreground states as the result of everyday practice and the importance of state

effects to understand the power relation between these institutions and people working outside of them (Trouillot, 2003; Sharma and Gupta, 2009; Abélès, 2005 (1990)). State policies produce particular imaginaries of time concerning for instance the nation (Anderson, 2006 (1983)) or the economy and the role of markets in society that people who do not work officially for the state take up, appropriate and transform in their daily practice (Guyer, 2016; Miller and Rose, 1990). The people I observed took into account different views about state policies, geopolitical confrontations and ad hoc state actions to assess where to invest, at what prices and in order to allow specific activities to develop. Thereby, they also mobilized conflicting understandings concerning which institutions, such as the state or the financial industry, were the most legitimized to determine the temporalities of monetary distribution.

In what follows, I will first analyze the imaginaries of time present in financial methods that financial professionals mobilized in order to determine how much money had to go where and for which aims in the context of M&A transactions. I will then analyze how they combined these imaginaries of time with those of state policies, geopolitical confrontations and the actions of the state in the stock exchanges in Shanghai and Shenzhen in 2015. Finally, I will show how these various temporalities were mobilized in different, sometimes disconnected or contradictory ways to fit the organizational temporalities of M&A activities and personal, professional and non-professional trajectories. In the conclusion, I will revisit again the importance of thinking the politics of a multiplicity of temporalities to study the social hierarchies produced by the financial industry.

Imaginaries of time in financial valuation and investment methods

Accounting and financial methods contribute to produce listed companies as units separated from the outside by clear lines (Roberts, Sanderson, Barker & Hendry, 2006; Williams, 2013), within which time and space are given a specific consistency, order and meaning (Takatera & Sawabe, 2000; Hopwood, 1983;

Quattrone, 2009, 2015). The reduction of ambiguity of financial and accounting numbers and categories contributes to giving this representation of companies an objective character, producing a truth effect that naturalizes particular meanings of appropriable cash flows, something that is crucial to render financial valuation doable and legitimate within specific professional social spaces (Armstrong, 2000; Robson, 1992; Hopwood, 2009; Ezzamel, Willmott & Worthington, 2008; Roberts, Sanderson, Barker & Hendry, 2006; Lambert & Pezet, 2010; Power, 2012). Concerning financial valuation, the same formulas and rationales are taught in business schools around the world (Ortiz & Muniesa 2018; Whitley 1986) and the same methods and rationales are sanctioned by regulation in most jurisdictions¹⁸. These methods are directly connected to the theoretical frame of neoclassical economics and were combined with statistics since the end of the 19th century (De Goede 2005; MacKenzie 2006; Preda 2009). The methods are conceived as representing the gaze of an individual investor seeking to maximize returns in markets supposed to be informationally efficient, where the information gathered by all participants is reflected in prices, so that the latter serve as signals for a socially optimal allocation of resources. Prices and other financial data are at the same time conceived as discrete events that can be treated with the tools of probabilities, which would give meaning to the calculation of averages, standard deviations and other mathematical relations.

In what follows, I will focus on a transaction managed by Merge Consulting on behalf of Calcus, a mid-size family-owned company based in Western Europe that sold a subsidiary, Bolbus, to Alpha, a large company listed in the Shanghai stock exchange and whose major shareholder was Monatu, an investment fund headquartered outside of China. Bolbus produced medical devices in China and was sold for 15 million euros. As I will show, in this transaction, where professionals used the standard methods of valuation and investment, they mobilized different imaginaries about how time unfold for different rationales concerning how to invest. This section analyzes four temporalities present in

¹⁸ See for instance (Abdelal 2007) for Europe, (Krippner 2011) for the US, (Hertz 1998; Petry, 2020; Wang, 2015) for China, (Reddy 2009) for India, (Müller 2006) for Brazil and (Amyx 2004) for Japan.

valuation and investment methods that designate investors, markets and states as the legitimate origin of the decision about where and how to invest.

One temporality concerns viewing a company as a source of rent for several years into the future. In what is called “fundamental valuation”, the purchased company is considered as a future stream of cash that will belong to the purchaser. The future cash obtained by the owner is “discounted” at an interest rate that is supposed to represent the “required rate of return” for shareholders and creditors (Ortiz, 2021b). At a discount rate of 10%, the present value of 121 USD in two years equals the present value of 110 in one year, and 100 now. With this method of valuation, called the discounted cash flows method (DCF), cash flows expected to occur in the next ten or fifteen years tend to have an almost negligible “present value” and are not an important part of how the transaction is understood. Thus, the investment is established in relation to the yearly rhythms of accounting techniques, with a focus on a rent that should be obtained in the following years but making negligible any activity of the company beyond a certain temporal threshold. Fundamental valuation is carried out considering that the market is not efficient, so that the investor must look for a theoretical price that best reflects the value of the company and that will eventually be reflected in the market price when the market “corrects” itself. The temporality of the method itself, though, does not determine when this “correction” should occur (Doganova 2014, 2018; Muniesa et al 2017; Ortiz 2021a).

Merge Consulting members in Western Europe carried out the valuation of Bolbus for their client and considered different scenarios for the company’s growth and hence for the rent that could be obtained by the potential purchaser. They arrived at a price of 15 million euros considering the potential development of the company in China, where there was a growing demand for medical devices by the middle classes. This growth would not be possible if the company only catered for clients in Europe, where Calcus’ operations were based. The rent to be extracted by Bolbus, according to the valuation, was only possible for a different owner than Calcus. Thus, Merge Consulting looked for potential purchasers mainly in China. In the conversations with the management of Alpha, it became clear for

all the participants that Bolbus's products were of a slightly better quality than those already sold by the potential buyer and would hence contribute to diversify its offer. The potential rent was thus agreed upon by all the parties, according to the temporality of discounted cash flow valuation.

A second temporality concerned so-called "relative" valuation, consisting in comparing the company to be purchased to other companies or to the creation of a new company from scratch (usually called "green field investment"). Comparable companies are usually chosen from previous transactions in similar sectors and with similar volumes of sales or from listed companies in stock exchanges. In these cases, the notion of market efficiency is important, since the comparison with other companies' prices is supposed to make sense because they would best reflect the companies' fundamental value due to the information gathered by other market participants. Defined and framed by the same accounting categories, companies are homogenized and become comparable (Miller and O'Leary, 2007, Lambert and Pezet, 2010; Power, 2012). The same concepts are used to produce numbers that, because they would correspond to the same process within different organizations, can be ordered in a way that ranks the organizations themselves (Roberts, Sanderson, Barker & Hendry, 2006). Several ratios linking the price to the activity of the company are used in this context, such as the Price-to-earnings ratio, among others. The use of statistics is extremely important in this method of valuation, as the prices of other companies, and their variations in time, are taken as discrete events with equal weights, from which averages, standard deviations and correlations could be obtained (Armstrong, 2000; Arjaliès & alii, 2017; Boedker & Chua, 2013; Robson, 1992). This is how these numbers are considered to say something meaningful about "the market", considered as a unified totality, and about the place the purchased company has in it (De Goede 2005; Miller and Rose 1990; Mennicken & Miller, 2012; Power 2012). This mobilizes two different imaginaries of time. On the one hand, the use of statistics establishes "the market" as an unified entity that extends into infinity as a sequence of equally weighted discrete events (Maurer 2002). On the other hand, this market is considered to say something meaningful about companies and the economy as the

result of encounters of investors that follow their own interests freely. These encounters are understood to be both uncontrolled and yet creating the rhythm and substance of a continuity between past, present and future.

Monatu's valuation of Bolbus combined all available methods, but with an emphasis on relative valuation. Monatu's managers were supposed to increase the monetary value of its portfolio of companies, creating returns for the entities that entrusted their money to the fund. The main concern was thus that the purchase of Bolbus would increase Alpha's stock price in the stock exchange. After multiple exchanges in person and through email, the managers of Monatu and Alpha that were part of the negotiations considered that integrating Bolbus' technology would increase their product offer in China and was therefore a good industrial idea. In the long run, this was expected to happen according to the temporality of fundamental valuation, i.e. as future returns increased Alpha's returns. But Monatu's managers also needed to show shorter term gains according to quarterly and annual reporting. During the first half of 2015, companies comparable to Bolbus were priced, according to fundamental valuation, at a higher price than the 15 million euros asked by the sellers. Purchasing Bolbus at that price would rapidly increase the stock price of Alpha, as financial analysts would consider that the company had gained from the purchase and their analysis was expected to influence institutions and people buying stocks in the exchange. Fundamental valuation of Alpha was based on relative valuation of Bolbus, within a portfolio approach by Monatu, which evaluated all these companies as part of a market considered as a whole based on the rationale of market efficiency. This implicated all the temporalities described above. According to the imaginaries of time mobilized in this understanding, the rent that Bolbus was expected to provide in the coming years would turn into a price variation thanks to the process of market efficiency which would combine a long-term (technically infinite) standard of comparison shaped by statistical treatment of prices and the immediate price change supposed to be brought about by the interaction of investors endlessly seeking new available information.

Relative valuation also includes an imaginary of time concerning state sovereignty. The notion of "risk-free" rate of return usually refers to the interest

rate paid by a few states considered to be the most powerful worldwide, especially the US, Japan and some European states. This rate is the foundational standard of value to evaluate companies and other financial assets. For a company, or any other activity, to be considered an object of investment, it must be understood as proposing a return on investment that is higher than that proposed by so-called “risk-free” assets, a differential that is called a “risk-premium”. The discount rate used in DCF valuation, like the one leading to value Bolbus at 15 million euros, is established as a risk-premium of the company in relation to these “risk-free” rate. This notion designates a particular power relation between the investor and the rest of society: the state is expected to stay indebted and honor its debts in a continuous infinity (where no risk ever exists) and is deemed strong and reliable enough to extract taxes and prioritize debt repayment over other expenditures and claims in the polity. Textbooks and practitioners talk regularly of “risk-free” assets while acknowledging that, in the very long-term future, any of them could default. In the meantime, the notion is held as meaningful. AAA rating by rating agencies and financial regulation tends to connect with this idea, giving legitimacy to a global hierarchy among states that tends to combine a calculation of the chances of default and a moral and political consideration of states’ worthiness for the financial industry (Boy, 2015; Fourcade 2017; Lemoine 2016; Muniesa et alii 2017; Ortiz 2021a).

In the valuation of Bolbus, this notion was present in DCF calculation as well as in the calculation of expected returns by companies like Monatu, which would divest if stocks or segments of the stock market offered average returns considered lower than the risk-free rate of return or providing too low a risk-premium. The presupposition of an infinity (or very long-term) continuity of payments by powerful states thus established the temporal horizon in which companies like Bolbus, deemed “riskier” were expected to provide rents. For money to be paid to purchase Bolbus, these rents had to be higher than the “risk-free” rate and at least equal to those of companies considered comparable through statistical treatment of information produced by stock exchanges and about previous transactions.

Finally, “speculative” valuation aims at assessing the direction of the constant price variations in stock exchanges, to buy cheap and sell high. Nowadays, traders can do these purchases within milliseconds in stock exchanges thanks to algorithms. But, more generally, the “short-term” is defined in relation to “fundamental value”, as a temporal horizon that is too short to take into account any new available information about the yearly cash flows expected to be obtained in the future (MacKenzie 2006; Ortiz 2021a; Zaloom 2006).

In the purchase of Bolbus, this became an important temporality as prices in Shanghai and Shenzhen stock exchanges showed strong variations. During the summer of 2015, as negotiations between Alpha and Calcus advanced, stock prices in the Shanghai and Shenzhen exchanges marked a rapid decline. This followed what had been a steady price increase since the beginning of 2014. If stock prices kept on falling, Bolbus’ price of 15 million euros would have started to look expensive according to the relative valuation that was central for Monatu when approving the purchase. The members of Merge Consulting became increasingly concerned the operation would be cancelled, or at least postponed and considered that these strong variations were proof of market inefficiency. Following the daily news about stock price variations became increasingly inevitable and, although they did not engage in short-term purchase and sale of assets, the members of Merge Consulting engaged in the kinds of considerations of speculative valuation: trying to assess what the opinion of stock exchange participants were and looking for any hope of a price upturn that would last long enough for the deal to be completed. As prices kept falling, the government set up a special fund of 200 billion USD, distributed among several state-owned financial institutions, to invest in listed stocks across the board in order to sustain prices. It did so claiming that it would not allow prices to fall further. After a few weeks, the fall stopped. Prices remained below their levels of mid 2015, but above those of early 2014. The members of Merge Consulting, like many other commentators in the press, considered that government claims and purchases deterred speculators hoping for further price decreases. The government claimed that its action was thus defending market efficiency against speculation that disrupted the connection between prices and

fundamental valuation, since stock prices were supposed to keep growing as GDP growth and companies' profits remained positive and high relative to other stock exchanges and economies. This intervention of the state within a few weeks was thus premised on the restoration of the long-term efficiency of markets, presupposed for instance in probabilistic calculation, and against the shorter-term temporality of speculation.

While relative valuation is based on the idea that the market is “informationally efficient”, so that it is meaningful to look at prices as a source of information about companies' fundamental value, speculative valuation rejects this notion of efficiency, considering price variations are not connected to “the fundamentals”. These three forms of valuation determine in different ways what a company is, at which price and within which temporality it should be exchanged as an asset. They are defined in terms of a free investor acting in a potentially efficient market, but the relation between investor, market, value and time in each definition of value are different and partly contradictory. They are also combined, as the results of each method are used to develop the other, for instance because market prices are used as meaningful information in fundamental valuation, fundamental valuation constitutes the basis of comparison in relative valuation, and speculation often uses the other two methods as guidelines in order to guess how prices will evolve in the short term, as they are supposed to inform the “opinions” of market participants (Muniesa et alii 2017; Ortiz 2021b).

Considering that the transaction was “timely” and worth carrying out mobilized all the imaginaries of time of financial valuation and investment methods. Investment was partly premised on rent to be extracted in the years following the transaction, beyond a threshold of ten to fifteen years. This implied discounting this rent with a rate that compared to the risk-free rate of states, premised on ideas of infinite guarantee of returns. It also meant comparing it to other companies according to a notion of market efficiency. This in turn combined the notion of infinity used in probabilities with the rent-extracting horizon of fundamental valuation and the idea that market participants interact endlessly as they look for new information. And it implied looking at short term price variations, which could

affect comparison and hence the opportunity of extracting rent at all. In all these cases, the figure of the investor was given preeminence over the state and the company being purchased, while the notion of market efficiency was used to legitimize prices in stock exchanges as disciplining standards of valuation. But the timeliness of the transaction in each of these methods was not the same. The transaction could be carried out, and hence money distributed in order to control the production of medical devices, either by opposing these temporalities against each other or by finding a moment where they would all become compatible. Thus, different temporalities arranged differently the power of the investor and the way in which money would or would not be distributed. After the governmental intervention in the summer of 2015, for the transaction of Bolbus, these various temporalities remained compatibility obtained long enough for the transaction to occur. The intervention of the “national team” came as part of a broader set of state temporalities that were already taken into account in fundamental and relative valuation. This is the topic of the next section.

Temporalities of states

The people I observed mobilized various imaginaries of the state to address multiple aspects of their everyday professional practice. Through appropriations and transformations of repertoires of states in their everyday practice, professionals contribute to produce state effects (Abélès, 2005 (1990); Das and Poole, 2003; Sharma and Gupta, 2009; Trouillot, 2003). Here, I would like to focus on three sets of state temporalities that were also determinant for how professionals distributed money establishing hierarchies among social activities, including or excluding them from monetary distribution, and contributing to enforce rules about how that money should be used. The first concerns the way in which professionals produced time horizons for their own transactions mobilizing temporalities of state policies. As Guyer (2016) has shown for other settings, the people I observed transformed and appropriated the meanings of these policies, which were often premised on theories

derived from economics but which, as Langley showed in other contexts (2015), do not belong to a single conceptual framework. The second set of state practices I focus on concerns geopolitical confrontations between states that mattered for how professionals understood their own long-term strategies and assessed, also in moral and political terms, the viability of their own practice. In this process, professionals also contributed to producing these geopolitical confrontations and the states that composed them (Miller and Rose, 1992). Finally, the intervention of the “national team” in the stock exchanges established a short-term temporality that connected with ideas of sovereignty that financial professionals assessed partly mobilizing the moral and political imaginaries of market efficiency.

The professionals I observed mobilized several notions of market, economy and state to make sense of their own operations. These concepts must be analyzed as part of the meanings they attributed to their everyday practice and not as analytic concepts (Miller and Rose, 1990; Mitchell, 2008). Professionals appropriated governmental policies I analyze here as an uncontrollable background that would remain relatively stable for the duration of operations over several years. Two sets of temporalities were particularly important for the way in which professionals distributed money. One concerned the power to determine which valuation methods were deemed more important to orient investment and hence which of the temporalities present in these methods had priority. The other concerns the way in which governmental policy supported or discouraged growth for different sectors of the economy.

In interviews I conducted with professionals working in cross-border M&A and private equity and venture capital investment funds, they recurrently claimed that DCF was considered more legitimate in Europe and the US, while in China transactions tended to focus more on relative valuation (Ortiz 2017a). Interviewees explained this resulted from the policy of the Chinese State-owned Assets Supervision and Administration Commission (SASAC), which oversaw all state-owned enterprises (SOEs). To prevent managers of SOEs from selling companies cheaply in exchange for bribes and justifying the sale using accommodating forecasts in fundamental valuation, the SASAC required sales to

be done at prices similar to those of other transactions or of the stock exchanges. This, interviewees claimed, influenced valuation methods even for non-state-owned companies. For companies listed in European and US stock exchanges, purchasing a company along these lines could even be pose legal challenges, as the purchase at too high a price could be considered a misuse of shareholders' money according to the rules of these stock exchanges. Assessing whether state policies thus influenced market efficiency, professionals addressed which institutions were more legitimized to determine the horizons of valuation. Merge Consulting members thus considered that, before their fall, stock exchange prices were too high, so that the sale of Bolbus benefited from “market inefficiency” partly produced by this kind of imposition of comparison with current prices.

The general and specialized press, academic discourse, reports by governmental and intergovernmental agencies tend to share discourses about “economies” understood as entities with a measurable “growth”. In this narratives, China’s average annual economic growth of around 10% in the almost forty years up to 2016 is compared with Europe’s much more modest figures, or even Japan’s stagnation. These narratives about China included considerations about massive poverty reduction and the formation of a consuming middle class of a few hundred million people. During my observations, the Chinese central government declared its intention to “rebalance the economy” by orienting activity towards internal consumption and making it less dependent on exports. This was part of a discourse in which how the “economy” faired was considered as the result of the government’s actions under the guidance of the Chinese Communist Party.

When I first met the members of Merge Consulting, they explained that they established a small office in the early 2010s in Shanghai because economic growth in China and the government policy pushing large companies to “go out” and purchase companies abroad came at a time when SMEs in Europe had difficulties to finance themselves and low growth prospects, following the financial crisis of 2008. Merge Consulting members were thus extremely attentive to which sectors of activity the Chinese government favored and which ones were excluded. When a company selling luxury items contacted them in Western Europe, they

explained to this potential client that the prospects of finding a buyer in China were very low, since the government had started cracking down on the sale of luxury items, identified as a major tool for corruption of government officials. On the contrary, sectors concerned by the “rebalancing”, in particular consumption by the middle classes, were expected to grow and offer opportunities for European SMEs. These were, for instance, high-technologies, health, education and tourism. Bolbus fitted this segmentation and, according to members of Merge Consulting, this meant that the ministry of commerce was unlikely to stop the transaction, something that was within its power to do.

Both in the case of SASAC’s rules about valuation and investment and in governmental policies, the people took governmental policies as a given within which they could find ways to gain. They attributed a temporal stability to these policies, upon which they could assess rent possibilities in the coming years, price variations and the conditions to establish hierarchies according to the temporalities of valuation and investment methods. These horizons were in turn related to global horizons of political confrontation that also implied assessing, morally and politically, the relative roles of states and the financial industry in the distribution of money.

Merge Consulting members regularly expressed the view that in Europe, the state’s “intervention in the economy” was the main cause for the perpetuation of the “economic crisis” since 2008. This seemed to contrast with their hopes about China’s growth, which they premised on the capacity of the government and the CCP to reach the targets set in their policies. I could observe similar tensions in interviews with other financial professionals working in cross-border investment. The tension was organized around the opposition of two entities, “China” and “the West”, “Europe and the US” or just “the rest of the world”, diffusely defined and differentiated along descriptions of past and future economic growth, relations between states and market, and global transformations. The relations across this divide were conceived as having three potential outcomes in the distant future: either one of the two entities was going to “adapt” and “become like” the other; or they would enter into a conflict that could lead to war; or they could combine into

a new entity, a “hybrid”.

Some professionals claimed that the financial industry and its valuation and investment methods were bound to dominate monetary distribution in the future. Several interviewees trained in the use of the methods described in the first section of this paper insisted on their global expansion due to their cognitive superiority. Ms. Li, a Chinese citizen who became a partner of one of the largest global auditing companies explained thus in an interview that these methods were “universally applied”, and that this universality, in particular the preeminence of the DCF, was found in China in the companies that had been “internationalized” enough, while the others, which pursued the “local ways”, in particular the insistence on relative valuation, were deemed to change as they joined the global trend. Mr. Dupont, a European lawyer specializing in M&A explained that in Europe, twenty years earlier, he experienced the same reluctance of SME owners to value their companies with DCF, preferring to conduct relative valuation by looking at market prices of their tangible assets. He explained that if DCF was later adopted, it was because it proved to be a “better” method, and so this would also inevitably happen in China.

Mr. Jones, born in Europe, had studied in China and the US and settled in Shanghai to manage a venture capital fund funded partly by the Chinese state and aimed at bringing technologies like those produced in Silicon Valley to China. He considered that China would eventually dominate global high technologies because it used valuation and investment methods like those he learnt in the US, but with a long-term strategy of development that was missing elsewhere, and which allowed incipient technological endeavors to grow and eventually blossom.

Opposed to the views of Ms. Li and Mr. Dupont, Mr. Martin saw a future of confrontation. He had done most of his career as CFO in companies in Europe and had been in charge of M&A within a European industrial group in China for five years. In an interview with me he expressed a pessimistic political conservatism. According to him, dealing with Chinese state-owned companies meant abiding by the rules of the Chinese Communist Party, which was guided by “Leninism” and was in no way going to change its financial methods to come closer to the ideal of market efficiency. According to him, European companies could only “adapt” to

this situation, as the relation of forces favored China over Europe. The prospect of more violent confrontation in the future was thus something that could be contemplated in a horizon that seemed distant but certain.

Employees of Merge Consulting, like many other such intermediaries I interviewed, avoided these narratives of confrontation and absorption. They developed a discourse about mixture and hybridization that legitimized their own activities, which they presented as marked by “inter-cultural” communication and learning. The notion of learning in particular was important, as it signaled a mutual transformation through the creation of new and shared understandings. In one instance, Peter, railing Chinese counterparties because they had demanded further explanations on the clause of a contract that to him was “crystal clear”, paused, and as a way to take some distance from the tension, said that China and Europe were “very different”, and that it would “take one generation” for them to understand each other. In this context, Peter, as the other employees of Merge Consulting, did not elaborate on which aspects of their practice would remain and which ones would change or even disappear. The elaboration of a future of hybridity was diffuse, allowing for readjustments along the temporalities of financial methods and, as I will show below, career trajectories and business strategies.

In all these cases, employees mobilized long-term horizons defined by the relative power of states to foster economic growth, support sectors of the economy, and attribute a role to the financial industry in the process. When they assessed the importance of a particular policy for their practice or the stability of regulation, employees often mobilized these longer-term horizons to gauge whether these policies and regulations were bound to stay in place. In moments of justification, for instance in an interview with a sociologist, or in conflicts within and between companies, they could also mobilize the moral and political aspects of these temporalities concerning debates opposing states to market efficiency and assessing the respective place of the Chinese, US and European states and their own professional practice in the financial industry.

The events in the stock exchanges in mid-2015 were relatively short in time when compared to the temporalities of policies and geopolitical confrontations.

Even though the Hong Kong government had also purchased stocks across the board during the “Asian crisis” of 1997, none of the professionals I interviewed or observed mentioned this. Instead, the problematization of these events usually concerned the role of the state for the production of efficient markets. As addressed in the first section of the article, the concept of market efficiency used in valuation and investment methods does not include the state as an actor in the market, except in the case of the “risk-free” assets.

The partners of Merge Consulting based in Europe, clearly expressed their ideological opposition to the idea that government would purchase stocks in order to affect their prices. At the same time, they were explicit about the fact that this intervention had saved the sale of Bolbus, preventing prices from decreasing further. They thus conceded having contradictory feelings about the events, which pitted their professional goals of making deals and earning money against a moral and political support for market efficiency, in personal practice and as a societal project. The Chinese government also navigated these tensions. Stock exchanges play a small role in the financing of companies in China, compared to the banking system and other sources of funding. Thus, many commentators in the specialized press and in the financial industry remarked that part of the government’s action was oriented at sustaining middle-class savings in the stock exchanges. Yet, the government’s narrative did not follow that line. The fund set up by the government was officially called the “national team” and its explicit purpose was to stem prices decline. The government claimed that this decline was a “market inefficiency”, since it did not correspond with the “fundamentals” of the Chinese economy’s steady growth. Government intervention as investor was thus justified in the terms of a mismatch between prices and fundamental value that needed to be corrected to ensure market efficiency as part of a national project led by the state and the CCP.

The people I observed mobilized several temporalities of the state. I focused here on three that were central for how these professionals oriented investment and thereby determined where money should go. In that process, they tended to reproduce temporal stability of governmental policies as the background for their operations, while situating these policies in longer-term horizons often

marked by teleological imaginaries about hegemony and confrontation. These temporalities were thus also connected to moral and political imaginaries about the place of the financial industry, which partly connected with the moral and political imaginaries of the methods of valuation and investment. Short-term changes in state policy, like the purchase of stock exchanges, were thus partly gauged in relation to these longer-term horizons and their moral and political meanings, depending on whether the situation called for such kind of justification. This does not mean employees had to “believe” in these imaginaries or relate to them with some form of “authenticity”. Instead, it meant that these were the available temporalities – with the limited set of meanings they allowed for – that financial professionals could mobilize to make sense of and organize the distribution of money they carried out in their everyday practices. The organizational times with which they operated partly determined which temporalities could be mobilized when.

Organizational temporalities

Relations within companies and between companies in the financial industry are standardized by regulations, established procedures and labor and commercial contracts (Arjaliès et al., 2017). In the context of M&A, transactions are organized by a series of steps that tend to be a professional standard worldwide. For the people I observed, these organizational temporalities were constitutive of their professional expertise and recognition (Hassard, 2002). The application of these professional standards depended itself on the possibility of mobilizing the temporalities described above, so that professionals adapted these standards to the situation. In this process, they also combined the organizational temporalities with those of their own personal trajectories, as employees move between companies in similar sectors and tend to create a separation between professional and non-professional lives (Lee and Liebenau, 1999). At the end of this section, I then show how the transfer of money for assets, for instance to develop medical devices for

Chinese middle classes, as in the case of Bolbus, was dependent on the standardized temporalities of the M&A segment of the financial industry, in combination with the temporalities of financial methods and states.

M&A transactions, as presented by interviewees and as I could observe them in fieldwork, are organized around a series of standardized steps (Boussard & Dujarier 2018). For a company like Merge Consulting, the operation starts when a company contacts them to request their services. At the time of my observations, in the case of potential transactions between Europe and China, these clients were usually small and medium enterprises (SMEs) based in Western Europe seeking a purchasing company in China. After signing a contract with the client, Merge Consulting's team in Shanghai, composed of Vicky and Peter, would start looking for potential counterparties to the transaction. The next step was reached when the Shanghai team identified and contacted a few potential buyers that expressed their possible interest. Each potential buyer would sign a "Non-Disclosure Agreement" (NDA) with the seller and the two parties would exchange information about each other. The information could be very variable at this stage, but it would usually concern technicalities about the seller's operations, its general accounting numbers and a clarification of its ownership structure. Since these SMEs are not listed in stock exchanges, this information is usually not accessible to people outside the company. The potential buyer would also transmit some of this information, unless it was a listed company, in which case most of it would be available on the website of the stock exchange. At this stage, both sides were explicitly careful not to disclose too much information, since the NDA would not prevent one of the parties to use the information for their own benefit, for instance if the activities of the SME reveal the existence of a potentially profitable activity that the bigger buyer could develop by itself through a green field investment.

A series of questions and answers would ensue and, if the two parties agreed that there was a shared interest in pursuing the transaction further, they would sign a "Memorandum of Understanding" (MOU), stating more clearly the details of the transaction, the information that was needed for the parties to agree and, potentially, a target price. This would be followed by a fuller disclosure of the

selling company's accounting and operational information, which, just as in the previous step, should not be disclosed to third parties. This contract does not compel the parties to go to the end of the deal but signals the beginning of the concrete negotiations around price and transfer of rights and duties. The MOU could have a deadline before which an agreement must be reached. If the transaction came to completion, the selling company would disclose all the material deemed necessary to inform the purchase, in a "data room" open to the experts working for the purchaser. This information could concern, for instance, financial liabilities such as private loans or pension plans, ownership of patents, and any other element that could impact the valuation of the company according to the methods described above. The last weeks of the transaction could be marked by a frenzy to complete all the checks and bureaucratic procedures necessary for the transfer of ownership and the payment of the agreed price (Ho, 2009; see also Souleles 2019 for a similar situation in Private Equity transactions). Discussion about the price and the legal conditions of the transfer, of the rights and duties of employees, managers and shareholders could go on until the last hours before signing the deal. The payment for the transaction could have very different rhythms. It could take place a few days after the signature of the contract, but it could also be organized in multiple installments. Often, contracts include options to purchase only a part of the shares in the first year and increase participation upon realization of certain targets over several years.

The temporality of these activities is directly related to the way in which companies like Merge Consulting obtain the income that paid the four partners' dividends, employees' salaries, rental of offices, and other expenses linked to its activities. The system of payment of Merge Consulting was considered standard in the profession. The client would pay an initial installment to launch the search for counterparties. Further payments would be made at the completion of specific steps, in particular the signing of the NDA and the MOU. The official rationale for this organization would be that it would "align" the interests of Merge Consulting with those of its clients, since payments increased as the transaction advanced. These so-called "operating fees" were nevertheless considerably lower than the "success

fees”, calculated as a percentage of between 3% and 5% of the price paid when the transaction was completed. Thus, for a transaction of a company sold for 10 million euros, Merge Consulting could receive around 100,000 euros of operating fees, paid in multiple installments as each step was completed, and between 300,000 and 500,000 euros in one installment at the end of the operation.

M&A activities are marked by moments when all activity is concentrated towards a single goal, such as signing an NDA or an MOU and completing the transaction. But these activities have also moments in which the future looks extremely uncertain, almost empty, for instance when no counterparties are found, or when one side is waiting for the other to reply to a request for information, which can eventually be answered by a decision not to pursue the deal. The rhythms are marked by milestones such as the signature of intermediate contracts and the payment of partial installments. But these activities are also part of a longer-term, more diffused horizon of business development, for which they are at once crucial components, since a company like Merge Consulting could only develop by making such deals, and a forgettable component, since once the deal is made and payment has been transferred, the company needs to start anew or risk closing.

For the people I observed, closing a deal was an exception. All the people I interviewed repeated with almost the exact same words that “less than half” of transactions that are initiated reached completion. At the time of my observations, Merge Consulting was acting on behalf of ten different SMEs looking for a purchaser in Shanghai. This implied searches on the net, fruitlessly contacting and meeting uninterested counterparties and working in a blurred horizon knowing that most of these transactions would most likely not take place. Operations could also have moments of frenzy, for instance before the completion of one of the standardized steps or the closing of the deal, where each minute seemed crucial and was geared towards a unique aim. Each step could take months to be completed, always with the prospect that the operation be abandoned at any time, as long as the contract was not signed and the money and assets were not transferred. A whole transaction could thus take between one or two years to occur, sometimes more.

Up until 2015, my encounters with Peter were marked by his descriptions

of deals that failed and the difficulty to find clients based in China. The Shanghai office was thus only financed by the operating fees it could obtain from completing intermediary steps that, so far, had not led to a completed transaction. The time between steps could sometimes take years. For instance, in 2013, Peter met with management of a large company interested in the purchase of a European SME that was a client of Merge Consulting. The deal seemed well under way until 2014, when the potential buyer stopped communications. Peter said that, since he stopped hearing from them, he considered it was not worth it contacting them again. After I replaced Peter, in the second half of 2015, the company contacted us again and we met with one of their representatives. He explained that they were still interested in the purchase, but that it had to wait for at least another year, because the company's top management was being replaced and all M&A transactions were suspended until the new management defined its strategy.

Once the last installment of operating fees was paid, the relation between the consultancy and the selling client could be marked by a tense ambivalence, in part because all of the consultants' further activities would only be paid if the transaction was completed. Merge Consulting may be interested in finalizing the transaction, even at a lower selling price, rather than risking the deal being abandoned. The seller may on the other hand propose to wait for a higher price. On the contrary, in the case there was no clear purchase in view, Merge Consulting may almost stop looking for an achievement of the deal, while the seller would want operations to continue without disbursing new operating fees.

After I entered the company, I was able to observe several of these situations. For instance, Vicky and I went to meet a potential buyer with two owners of a company based in Europe that produced hi-tech devices to render buildings less polluting. Their company seemed to resonate with the declarations of the Chinese government about investment in environmentally friendly industries, and the two owners expected to sell their company to a major state-owned enterprise. After more than a year of exchanges, they had first signed an NDA and then an MOU, and they had now flown to China for a meeting, a few hours by train out of Shanghai, with the state-owned company's representatives. We spent the whole day

travelling and in hours-long meetings where the owners explained the technical aspects of the devices to the representatives of the construction company. They also explained the organization of their company, in order to clarify that their departure would not affect its operations and that it could be sold immediately. On the way back, the owners complained to Vicky and I that even though an MOU had been signed, no deal seemed on the way. Months later, the construction company confirmed they would not continue with the transaction and, eventually, Merge Consulting stopped looking for new buyers.

The sale of Bolbus to Alpha had also been advancing slowly when I entered the company. After meeting with the Merge Consulting's partners in Western Europe, a few months before Peter's departure in mid-2015, I started a transition period in which I participated with Peter in meetings with clients and potential counterparties. In one of these meetings, the representatives of Bolbus and its parent company, Calcus, came to Shanghai to meet with potential buyers with whom NDAs had already been signed. Alpha's management showed the most interest. During the whole second half of 2015, as the discussions between Alpha and Calcus advanced, Merge Consulting members were implicated in organizing telephone meetings between the parties, checking the clauses of the potential contract that would be signed, exploring the until then undisclosed liabilities of Bolbus and explaining them to Alpha and Monatu's representatives, and in general trying to limit the waiting time between questions of one party and answers by the other. Little after Peter's departure, an MOU was signed. The deal was closed at the end of the year, and the last weeks were marked by the frenzy of making sure that all details had been covered and the contracts did not create grey areas that could be used by one of the parties or that implied ambiguities that could generate conflicts in the future. The transaction took around two years to be completed, with very few exchanges in the first year, in 2014, and much more intense interactions in the last half of the second year, in 2015.

The professionals I observed brought together the different moments of each deal and the temporalities of the company's development and of their personal career, as the next professional move could happen by joining a counterparty or a

competitor. I first met Peter in 2013 for an interview and we exchanged regularly until he proposed I replace him in 2015. During 2014, he became increasingly frustrated with the difficulty to complete deals and a tension that existed between potential clients in China, who tended to refuse paying operating fees, against the common practice in Europe. This prevented Peter from obtaining higher bonuses and recognition from his employers in Europe. By the end of 2014 he announced that he was thinking about putting an end to his almost five years in the city, and go back to Europe, where he grew up and lived most of his life. He was interested in starting a family, and claimed he did not find suitable partners in Shanghai, where he did not develop strong friendships either. In the early 2015, he proposed that I take up his position at Merge Consulting, since this would help my research and would match the needs of the company, which was looking for someone trained in finance, who could speak Chinese and who could play the role of a “middle-aged white man” in meetings with representatives of Chinese companies. This could not be done by Vicky, of Chinese citizenship and in her mid-thirties, whose official role was ensuring “inter-cultural” communication, exemplified among other things by her using an English name with foreigners and her Chinese name with Chinese nationals, as was common among foreign companies in Shanghai (Chong, 2018; Ortiz, 2017b).

When Peter negotiated the date of his departure with Merge Consulting’s partners he had not expected that the company would complete its first transaction in China that year. By the time it was clear that the deal was going in the direction of completion, it was too late for him to negotiate with the company’s partners to stay six months longer. He explained that the partners were disappointed he left, and that left him with little emotional leverage to ask them to change his departure date and receive at least part of the bonus that would be distributed after the sale of Bolbus.

Vicky, on the other hand, saw an opportunity in Peter’s departure. Hired by Peter a few years earlier, she had lived all her life in China where her family, friends and partner also lived. She hoped to stay in Shanghai and make a career in Merge Consulting, and Peter’s departure meant that she would become the top

manager of Shanghai's office. The completion of the deal with Bolbus would not only mean an important bonus for her but, as she discussed with Merge Consulting's partners, the development of the Shanghai office depended on multiplying such operations, with the prospect of Vicky becoming a partner of the company herself. For the owners of Merge Consulting and their employees, each deal implied payment of a bonus at the end of the year, decided hierarchically within the company. At the time of my observations, the company had not yet completed any deal in China, and most of its revenue came from its activities in Europe. Completing a deal in China meant, for the team in Shanghai, an important step in its growth, with the increase in income, responsibilities and prestige for its members.

When the deal was finalized, it was publicized in many specialized media. This corresponded both to Monatu's interest in having financial analysts include it in their valuation of Alpha and to Merge Consulting's strategy to position itself as a consultancy that was able to find purchasers for European companies in China. Each deal that was completed could also serve as part of Merge Consulting's own marketing activities, showing itself to potential clients as a good service provider. A completed deal was thus not just an end in itself, but also part of a longer-term business development strategy. Even the deals that were not completed could be considered by Merge Consulting's owners as an investment, because they allowed to accumulate experience and information that could be useful for other transactions.

Professionals combined these temporalities with those of their personal trajectories. As elsewhere in the financial industry, in M&A professionals may move between companies and consider passing through a company like Merge Consulting as a step in a longer-term process. After he left Merge Consulting, and in continuity with his experience at the company, Peter was hired by a Chinese corporation to act as a consultant for its M&A activities in Europe. Vicky's rise in the company gave her even more leverage to negotiate offers by other companies, even as she did not plan to leave the consultancy in the short term. The tension between moving between companies and the bonus payment missed by Peter in the case of the sale of Bolbus, shows how these temporalities may come in conflict, even as they are mutually constitutive. Merge Consulting itself was a step in the

personal trajectories of its founders. At the end of the 2010s, the company was dissolved and some of the partners established their own individual companies, named after their personal family names. In a period of 15 years, they had thus moved from being employees at large banks to being partners in a small consultancy and being owners of their personal company in the sector. From this perspective, the sale of Bolbus was a useful step in their personal trajectories.

The second half of 2015 brought together many of the temporalities explored above. Price discussions brought together the temporalities concerning the different understandings of financial value, confronting fundamental valuation's horizon of cash flows for owners to relative valuation situated between the immediacy of stock prices' variations and the infinite horizon of market efficiency. The role of the state was connected to the kind of sovereignty implied in the notion of risk-free interest rate, but also to the imaginaries about nations and economies as entities that are oriented into a long-term future of growth, and potentially opposed to each other according to rationales that imply different understandings of the roles of financial valuation and investment methods. And all these considerations were articulated around career and business development temporalities, in which the conclusion of Bolbus' sale was a momentarily absolute priority.

An exchange of money for shares giving control of medical devices, like in the case of Bolbus, could thus only happen through a combination of the temporalities of financial methods, of states and of organizations became. Financial professionals mobilized these temporalities differently at different moments, and not every temporality had the same importance at all times. Bringing together these temporalities in everyday practice, companies of the financial industry, like Merge Consulting, were the institutionalized site for the application of financial methods and their promise of a socially optimal allocation of resources.

Conclusion

This article has shown the importance of analyzing the multiple

temporalities mobilized by financial professionals to understand how they determine which activities access money and what they can do with it. The power relations established by the hierarchical distribution of money produced by the financial industry are partly organized through various imaginaries of time.

This article focused on imaginaries of time that appear as crucial for the determination of this monetary distribution. This concerns temporalities presupposed in the standardized methods of valuation and investment and implying particular understandings about the power of the figure of the investor, the authority of the supposedly efficient markets and the subservient but foundational role of states. The financial professionals studied here combined these temporalities with imaginaries of time related to state policies, geopolitical confrontations and short-term state actions that directly affected their operations. This meant also articulating variously different imaginaries about the relative power and legitimacy of states and the financial industry to distribute money and organize social hierarchies. Finally, in everyday practice, professionals mobilized these temporalities in different ways depending on organizational times that concerned the steps and rhythms of transactions. Within this frame, they elaborated their personal trajectories, including distinctions between professional and non-professional times. The case studied here shows how it is through the combination of multiple, partly disconnected and partly contradictory temporalities, that the financial industry operates as the institutionalized site for the application of financial methods that presuppose the realization of efficient markets and their contribution to a socially optimal allocation of resources.

This study contributes to analyses that show how the hierarchies and inequalities produced by the financial industry do not correspond to a single temporality that it would impose on the rest of society, but to a multiplicity of temporalities that articulate multiple power relations inside and outside the financial industry itself, in the global space of its operations. Pragmatist approaches of money show how money has different meanings and roles in different social relations. This article also contributes to this understanding, showing how the hierarchical distribution of money corresponds to combinations of multiple imaginaries of times

in various power relations.

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