From March 21st to 22nd 2013 a conference with the title “Financial markets. Institutional embeddedness, organizational structures and contours of a monetary order” was held at the University of Hamburg. The aim of this joint conference of the sections Economic Sociology and Organizational Sociology of the German Society for Sociology was – as the conference flyer states – to “contribute to a better understanding of the functioning and structure of financial markets”. The conference clearly demonstrated that sociology has a variety of perspectives to offer for a better understanding of financial markets. Theoretically the presentations covered a wide range of approaches from sociology of practices (Kalthoff/Vormbusch) to neo-institutional analysis (Senge, Nagel), Sociology of Conventions (Knoll) and heterodox economic approaches (Sahr, König). This variety of theoretical perspectives facilitated an analysis of financial markets from different perspectives from the micro-level of the trading floor to the macro-level of a global financial class.

Preceded by opening statements of Jürgen Beyer (Hamburg) and Konstanze Senge (then Bielefeld) who organized the conference Jan Fleck and Rolf von Lüde (both Hamburg) talked about the relationship between financial systems as one building block of national “Varieties of Capitalism” and the risk preferences of consumers of financial products. Von Lüde and Fleck focused their talk on the following three questions: Can national trust cultures persist in spite of a global financial system? What is the relationship between bank based financial systems and bank based trust cultures? How do national trust cultures shape the dynamics of persistence and change of national financial systems? In the second presentation of the panel “financial institutions and social embeddedness” Herbert Kalthoff (Mainz) and Uwe Vormbusch (Hagen) argued that financial markets and financial institutions are embedded in the everyday routines of market participants of displaying and interpreting the economic sense of concrete investment decisions. Kalthoff and Vormbusch argued that both doubts about the possibility of modeling economic processes and about the completeness on the representations of the models are part of such “epistemic practices”.

In the first presentation of second panel on “emotions and investment behavior” Konstanze Senge (then Bielefeld) took an organizational sociology perspective on emotions. Arguing that regulative, normative and cognitive institution cannot reduce the complexity of financial markets completely Senge suggested to treat financial organizations as dependent upon affective institutions as well. Because affective institutions are not predictable financial organizations could benefit from applying insights firm high reliability theory. From an economic sociology perspective Markus Lange and Christian von Scheve (both Berlin) asked how emotions contribute to the coordination of economic actors in financial markets. Lange and von Scheve argued that emotions matter on the level of the investment decisions of market actors as well as on the level of the market as a whole. With regard to the former they distinguished between a “fundamentally qualitative” market actor who relies...
heavily on his gut feelings and is opposed to econometric model and a “quantitative modeler” whose decisions are based upon market signals. Emotions matter as well as “market feelings” which are diffused through trading floors by verbal and non-verbal expressions in the trading room. Such market feelings act as an additional indicator in determining whether a market crisis is eminent or not.

In the third panel on “contours of a monetary order” Aaron Sahr (Hamburg) discussed Hyman Minkys approach to the explanation of financial market crises. Following Minsky he argued that the socio-political techniques that support the belief in the creditworthiness of banks (mortgages, regulatory capital requirements and central banks as lender of the last resort) historically lost effectiveness. Recent state actions like rescuing system relevant banks replaced rather than reinforced the credit worthiness of banks. Tilo König (Tübingen) discussed recent economic proposals for a carrying tax on money from a sociological perspective. Confronted with the uncertainty of future economic development carrying money has for the individual the benefit that money allows to adapt to changing economic circumstances flexibly. Therefore in times of crisis individual preferences for holding money may decrease aggregated demand and worsens the crisis. Hence, holding money enhances the courses of actions available for some and restricts the courses of actions available of all others. It is because of this dilemma that König argued that economic approaches to a tax on carrying money may benefit from a more political perspective.

In the fourth panel two contributions discussed “actors and actor constellations” in financial markets. Lukas Hofstätter (Frankfurt) argued that financial markets actors like traders or investment bankers developed into a global class. By being socialized in the cultural and cognitive Institutions of global financial markets these actors share similar social practices, worldviews and a common habitus. Furthermore the financial class can be interpreted as a carrier for specific monetary and ideal interests. Pierre de Larminat (Frankfurt) analyzed how the figure of the investor is constituted by market devices and information technologies as well as a specific division of labor in and between financial markets organizations. Especially de Larminat showed that the figure of the investor rest on the symbolic form of the financial assets portfolio.

In the first presentation of the fifth panel on the organization of risk assessment Andreas Langenohl (Gießen) presented findings from a qualitative study of renegade investment consultants and private investors. Arguing that the relationship between consultants and consumers is crucial for the legitimacy of retail banking, in his analysis of interview data Langenohl asked if a de-legitimation of investment consultation by banks is eminent. He presented findings regarding what renegades and consumers criticized in bank consultations specifically, how their criticism was shaped by their involvement in the consultation process and which consequences they draw from their criticism. Next, Natalia Besedovsky (Berlin) focused in her presentation on credit ratings as mediating devices between financial markets and political fields. The concept of risk of governments is orientated at risk minimizing while financial markets perception of risk is about risk management. Besedovsky argued that ratings serve as a mediating device that allows both fields to maintain their conception of risk. However the recent financial crisis unveiled differences and tensions between both perceptions of risk.

Sebastian Nagel (Jena), presenting a talk prepared together with Stefanie Hiß (Jena), compared recent changes in the regulation of rating agencies in the United States and the European Union. He demonstrated that rating agencies where regulated in the US and EU at different times and with
different regulatory approaches that both did not lead to robust financial markets. Nagel argued that prior to the adoption of the EU regulation a process certain solutions to the problem of the failing of the rating agencies in the recent financial crisis became legitimized in a theorization process and diffused to the EU. Filling in for the sick Anita Engels (Hamburg) Lisa Knoll (Hamburg) applying a sociology of conventions perspective talked about markets for carbon dioxide as compromises.

As Jürgen Beyer remarked in his closing statement the presentations and lively debates clearly demonstrated that financial market sociology has become a vibrant field of study in the German sociology community.