Chains of Finance: How Investment Management is Shaped. Diane-Laure Arjalies, Philip Grant, Iain Hardie, Donald MacKenzie and Ekaterina Svetlova. Oxford: Oxford University Press, 2017. pp. 224. $40.95 (hbk). ISBN: 9780198802945.

The finance literature is inundated with research that empirically examines financial institutions and the broader capital markets in which they operate. Yet, despite the amount of assets that the investment management industry manages, and the impact that it has on the financial ecosystem as a whole, there has been very little policy oriented research in this area. *Chains of Finance: How Investment Management is Shaped* comes at an opportune time and attempts to address this gap by exploring the nuances and the inner workings of the investment management industry. The central argument of the book is that investment management should be understood as a chain that links savers (individuals, companies, government) of capital with corporations and governments that sell financial instruments.

The book starts from the premise that the traditional investment model is flawed. Investment has very little to do with savers choosing to buy/sell financial products directly from the market. Rather, most of the transactions flow through a network of intermediaries consisting of investment management firms and brokerage services that are represented by fund managers, financial advisers, and security analysts. The book adopts a social science approach so as to provide insights on the opportunities and the constraints that are embedded in the investment chain. This is an important first step for scholars to transcend the paradigmatically circumscribed box that represents the traditional approach to finance and to incorporate insights from sociology, socio-legal studies, organizational theory, philosophy, and political science, in order to understand the social interactions that are embedded in the practice of finance.

Importantly, the evidence for the story has its base in ethnographic research conducted by the five authors, who have each worked for several years in the investment management industry. This participant-observation approach was aptly supported by 415 semi-structured interviews with relevant individuals in the industry. Together, the ethnographic excursion and interviews allowed the authors to venture beyond the narrow realist stance of financial intermediation, and engage in a more thorough discussion about knowledge and knowledgeability of the wealth management industry from a broader social science perspective.

What follows are analyses that dig beneath the cluster of narratives to excavate insights regarding the decision-making frames and the constraints that intermediaries impose on each other in the investment chain. Readers are introduced to a situation where a number of active players in the investment chain are engaged in a distal order of discourse with fund managers, union representatives, politicians, and an automobile manufacturer, to work out ways for meaningful change through responsible investment. Elsewhere in the book, there are discussions on the importance of both qualitative and quantitative analysts in evaluating portfolio performance. Quite interestingly, and unlike the extant scholarship on wealth management in the finance literature, the authors illustrate the complementarity of both quantitative and qualitative analysts as normal features in fertile decision-making. Demonstrating one's ability to analyze the numbers and invoke the technicalities of fund management is seen as a prelude to the more prestigious qualitative type of analysis. Despite evidence of qualitative reasons for success, there

is still a preference for "quant" teams, as they are perceived to represent a more "rigorous" and "scientific" approach to fund management.

Further into the book, the authors introduce readers to the vagaries and the complexities in the relationship between clients and fund managers. The privileged position accorded to the larger institutional investors, gives them the power to set the terms and the constraints of their investment objectives. Buttressed by their own position in the investment chain, fund managers can also reshape their clients' investment objectives in an effort to realign them with their own assessments and calculations. These nodes of problematization are undergirded by reciprocal relationships between clients and fund managers that are characterized by trust and good financial governance, not by a scripted set of controls and restrictions.

However, the very strengths of this book also locate its weaknesses. I am not sure that I am convinced with the application of the social science approach to the arguments advanced by the authors. I am aware that this is a major critique to traditional analysis of investment management. Still, I firmly believe that both the setting and the purported sociological anchor could have been more richly explored and analysed without being caged into a particular framework. The social interactions of finance involves a much more critical analysis on the intelligibility of capital market functioning and the hegemonic influence of powerful players in the investment chain.

While I acknowledge the extensive ethnographic work that provides the evidence for the book, I am not convinced by the supporting arguments used to substantiate some of the claims. I do not see the application of a social science approach as a particularly important contribution to understanding discrete roles in the investment chain. While reading the book, with the social science approach in mind, I was left wanting the "aha moment" of the sociological underpinnings. It seems rather obvious that if an issue is perceived to be important in aiding readers to understand the logistics of the investment chain, it would more likely benefit from lived narratives and discourse, rather than trying to fit it into a framework in order to make a case for its relevance. Much of the literature on financial markets focuses on investment management as a "cerebral" thing, disembodied and decontextualized from the wider public interests. Here is where the broader social science perspective can really contribute to finance. Either the authors chose to engage with the social science approach, or avoid using it lightly. I think the authors missed a real opportunity to reclaim this neglected dimension and make a more substantial contribution to the field.

In adopting the social science approach, one would expect a discussion on the hegemonic influence that political elites have on financial markets. Financial market regulation is intertwined with the political systems in which they operate; bounded together by the irrational exuberance of the key players in the investment chain. Ideologies that inform the decisions of these players are manufactured by systematic think-tanks and disseminated as discourse to legitimatize the dominance of the financial structure. This is the type of discourse in which I can see regulators and policy makers citing and making use of this book. The "esoteric politics" of finance view agents in the investment chain as working together to perpetuate their own interests. Together, they decide which strategies to pursue and which interventionist policies should be used as conduits to pursue those strategies, in order to maintain the status quo. I do

think that this book is a very good starting point and a unique epistemological representation of thinking about financial markets. Unfortunately, it cannot be seen to represent the social science approach to financial market operations.

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