



## **The David Hume Institute**

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### **NEWS RELEASE**

#### **Autumn Seminar Series 2005**

**6.00pm 5 October 2005**

**The Royal Society of Edinburgh, 22-26 George Street, Edinburgh**

#### **“The Sociology of Finance. When genius failed – revisited”**

**speaker:**

**Professor Donald MacKenzie, University of Edinburgh**

**Chair: Dr Ken Lyall, Walter Scott & Partners**

**Sponsored by**

**The Economic and Social Research Council**

**Jeremy Peat, Director of The David Hume Institute** said “The Institute is grateful to the ESRC for sponsorship of this seminar. We are delighted to welcome Professor Donald MacKenzie to give this talk, which will examine the sociological factors that impact on the decisions and behaviour of those operating in the investment sector of the financial community - especially hedge funds and other active traders.

The talk will draw on interviews with those involved in the 1998 crisis of the hedge fund Long-Term Capital Management.

While previous accounts of LTCM have suggested that its debacle was the result of blind faith in mathematical models, Professor MacKenzie will argue that the roots of the crisis lay in a distinctive pattern of social processes within the investment community. The topics to be discussed range from the bearing of social processes on trading strategies (especially on ‘arbitrage’) to the question of what investors and traders have in common with grouse! Sounds fascinating to me.”

- ends -

**Donald MacKenzie** is Professor of Sociology, University of Edinburgh.

Professor MacKenzie works on the sociology and social history of science and technology, especially those fields that have a major impact on people's lives: the eugenics movement and its effect on science; the development of nuclear weapons; safety-critical and security-critical computer systems. He holds an ESRC Professorial Fellowship in "social studies of finance". His most recent books are *Knowing Machines* (MIT Press, 1996); *The Social Shaping of Technology*, edited with Judy Wajcman (Open University Press, second edition, 1999), and *Mechanizing Proof: Computing, Risk and Trust* (MIT Press, 2001).

**Research Interests:** Microeconometrics, Panel Data, Earnings, Hours of Work, Changes in the Labour Market, Economics of Sport, The Scottish Economy

**Consultant to:** World Bank, European Commission, Department of Employment, Department of Education, Employment and Technology (Australia), Scottish Development Agency, Scottish Enterprise, Scottish Office, Central Statistical Office, Central Region, Royal Bank of Scotland, Department of the Environment, Transport and the Regions, International Labor Organization.

**Notes to Editors:**

The views that will be expressed by the speaker are his own and do not commit the <sup>1</sup>Trustees or Officers of the Institute in any way.

**Issued by:**

The David Hume Institute, 25 Buccleuch Place, Edinburgh EH8 9LN

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