

# Literature review

Sociology



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## Anthropology of the Financial Crisis Anthropology of the Financial Crisis

### Introduction About the author and the article

The article is about the anthropology of the financial crisis in the world.

Horacio Ortiz is the author of the article which has been obtained from the Handbook of economic anthropology. The handbook is the second edition and was published in year 2012. James G. Carrier is the editor of the handbook which was written by many other anthropologists. It is, therefore, true to establish that Horacio Ortiz is also an anthropologist.

### Brief summary of the article

The article touches mainly on the financial crisis. It looks into the anthropological perspective of the financial crisis. Anthropology significantly involves the analysis of evidence with the objective of bringing out the information in the light and thus making a strange subject more understandable and clear. The author, therefore, sought to clarify the subject of the financial crisis in the world. Financial crisis is the problem that occurred within the financial markets. The crisis was as a result of the failure of the market mechanisms, therefore, causing a great hindrance to the efficiency of the whole system. 1 The article highlights that the problems faced in the distribution of resources are majorly attributed to the players in the financial systems.

The article provides the solutions to the financial crisis. Transparency, elimination of personal greed by the financial advisors and enhancement of the regulations of the financial system are the suggested solutions to the problem. 2 Lack of transparency in the real value of assets has led to fraud and encouraged use of underhand methods thus contributing majorly to the crisis. The advisors of the investors are paid to handle money that is not

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their own, thus are less responsible. Such advisors put the funds at great risk as they take very high risks that have a very high probability of being detrimental to the investors.

#### Author's argument

The author's main argument lies on the causes of the financial crisis. He argues that the financial crisis is as a result of the inefficiencies that exist in the markets. Such inefficiencies are to a great extent caused by the personnel in the industry. He argues that the rapid growth of the credit derivative market has significantly led to a lack of proper regulations to govern the system. Moreover, the personnel in the financial market only work to fulfill their personal goals. Their personal interests override the description of their jobs. The author argues that the solution to the problem lies in solving the above-mentioned inefficiencies.

#### How the article is interesting and useful

The article is interesting as it brings out clearly matters that were initially overlooked. Issues that may have been perceived to be trivial played a major role in escalating the crisis. Financial professionals' greed and wage being measured in terms of performance were a great catalyst to the crisis.

Important measures and approaches have been suggested in the article.

Formation of proper regulations and enhancing transparency in the financial sectors has been considered to be solutions to the crisis. The information is, therefore, useful in averting future financial crises.

#### Relation to the lecture

The lecture is about the financial system in the country. It entailed the components of the financial systems and the roles played by all the stakeholders in the market. The lecture also touched on the financial crisis in <https://assignbuster.com/literature-review-literature-review-samples-5/>

the world. There is, therefore, great relationship between the lecture and the article. The article has brought out the causes of the financial crisis and the probable solutions to the problems.

#### Conclusion

The article leaves me thinking about the adverse effects of the financial crisis and how the situation could have been avoided. With proper regulations and transparency in the financial system, I now think the financial crisis would have been averted. I have had to do extra reading on the same topic to understand causes of the crisis fully.

#### Bibliography

James, G. A Handbook of Economic Anthropology: Anthropology of Financial Crisis. 2nd edition. 2012. pp 585- 594.