



[Economy and Society](#) >
Volume 44, 2015 - Issue 2

3,736 40

Views | CrossRef citations to date | Altmetric 12

Original Articles

On arbitration, arbitrage and arbitrariness in financial markets and their governance: unpacking LIBOR and the LIBOR scandal

Philip Ashton  & Brett Christophers 

Pages 188-217 | Published online: 27 Apr 2015

 Download citation  <https://doi.org/10.1080/03085147.2015.1013352>

Sample our
Social Sciences
Journals

>> [Sign in here](#) to start your access
to the latest two volumes for 14 days

[Full Article](#) [Figures & data](#) [References](#) [Supplemental](#) [Citations](#)[Metrics](#) [Reprints & Permissions](#)[Get access](#)

Abstract

Amongst a series of scandals to hit international financial markets in recent years, that surrounding the London Interbank Offered Rate (LIBOR) – a highly influential interest rate benchmark – has attracted particularly intense media scrutiny. This paper seeks to push beyond conventional understandings to unpack critically both LIBOR itself and the scandal involving its manipulation by major international banks. Envisioning LIBOR as a commodity beset by inherent contradictions, the paper mobilizes the tropes of arbitration, arbitrage and arbitrariness to illuminate, respectively: the market-making work performed by LIBOR; its role in enabling the transfer of financial risk, most notably when fraudulently manipulated; and the nature of the regulatory prosecution of such manipulation.

 Keywords: [financial markets](#) [risk](#) [calculative practices](#) [manipulation](#) [derivatives](#) [banking](#)

Acknowledgements

The authors would like to thank two anonymous reviewers and the participants in the Knowledge/Value Workshop at the University of Chicago for their comments and insights on earlier drafts.

Disclosure statement

No potential conflict of interest was reported by the authors.

Additional information

Notes on contributors

Philip Ashton

Phil Ashton is Associate Professor of Urban Planning & Policy at the University of Illinois at Chicago. Phil's research focuses on banking, consumer credit and the governance of finance. He has applied these concerns within written work on sub-prime mortgage lending, risk and infrastructure privatization. He is now working on a book on the juridical dimensions of the sub-prime mortgage crisis, including recent legal settlements with large sub-prime lenders over lending and servicing abuses.

Brett Christophers

Brett Christophers, Associate Professor at Uppsala University, and is an

economic geographer who has written widely on the political and cultural economies of capitalism in both historical and contemporary perspectives, with a particular emphasis on finance and financial capital. He is the author of three monographs – most recently *Banking across Boundaries* (Wiley-Blackwell, 2013) – and numerous journal papers.



Related research

People also read

Recommended articles

Cited by
40

[Libor 1986–2021: the making and unmaking of ‘the world's most important price’ >](#)

Alexis Stenfors et al.

Distinktion: Journal of Social Theory

Published online: 11 Feb 2018

[Tracking the Libor rate >](#)

Rosa M. Abrantes-Metz et al.

Applied Economics Letters

Published online: 17 Jan 2011

[City of standards: London and the rise of LIBOR in global finance >](#)

Devin Wiggs

Economy and Society

Published online: 26 Jul 2022

[View more](#)

Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

Keep up to date

Register to receive personalised research and resources by email

 [Sign me up](#)



[Copyright © 2023 Informa UK Limited](#) [Privacy policy](#) [Cookies](#) [Terms & conditions](#)

[Accessibility](#)

 **Taylor & Francis Group**
an **informa** business

Registered in England & Wales No. 3099067
5 Howick Place | London | SW1P 1WG