

PhD student: Stuart Theobald

1. Can you summarize your research in three sentences?

I am developing a theory of the methodology of theoretical finance. It is an application and development of some of the ideas in philosophy of social science to financial theory. I'm aiming to show how finance theory works and develops, and what some of the challenges are in making it helpful to society at large.

2. Why is your research important? What does it change? What do you want it to change?

While there were many causes of the 2007/2008 financial crisis, I believe one of them was the role that theoretical finance played in driving behavior in financial markets. I don't think many people have examined this closely, particularly why finance theories have the structure they do, how they interacted with evidence and financial institutions, and how they affected behavior. Ultimately I think an examination of theoretical finance in this way will help everyone from regulators, civil society and finance professionals to we understand and use finance theory much better.

3. Who influenced you? Who do you dramatically disagree with?

I am influenced by the work on economic methodology of Uskali Maki, D Wade

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Hands, Nancy Cartwright, Mary Morgan and Donald MacKenzie, though I also disagree with them in some respects. My stronger disagreements are with some economic sociologists like Michael Callon and with some economic methodologists like Deirdre McClosky. I am also influenced by economists, some from long ago, like Frank Knight, Paul Samuelson and John Maynard Keynes, to the extent that they had important things to say about economic methodology too. More recently, economists like Robert Shiller and the maverick writer Nassim Taleb have presented arguments I think methodologists should take seriously.

4. Have you ever had an aha-moment that proved pivotal?

Too many I think. One came very early in my work and from outside academia when reading the The Turner Review on the financial crisis when he posed the question of whether it is at all feasible to make predictions about future financial returns based on historic data. That is a very important question, because the assumption that we can do that is deeply embedded in practices across the economy. It gave me a focus to try figure out why it is that such a practice is so embedded. It has led me from the literature on philosophy of probability to debates about social scientists' influence on economic institutions.

5. What is the most important thing for a philosopher?

To listen. What makes a good philosopher is to be able to understand someone else's argument just as well, if not better, than they do. A virtue I still aspire to have!