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Stock Markets on Trial: Towards an Understanding of *Great Recession* Consequences

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Market failures can profoundly reshape economy and society (Polanyi 1944). This is particularly true of failures related to financial collapses such as that which triggered the Great Depression (Abolafia 2010). While there has been some scholarly attention to analyzing the U.S. subprime meltdown in 2007-8, the concomitant global financial collapse, and related aspects of the so-called Great Recession (e.g. Lounsbury/Hirsch 2010; Campbell 2010; Mizruchi 2010; Krippner 2010; Swedberg 2010; Carruthers 2010; Rona-Tas/Hiss 2010), we still have a limited understanding of how these dramatic events have begun to reshape broader trends related to neoliberal thought, practice and policy including financialization (Davis 2009; Krippner 2011). What is the status of these powerful movements rooted in the growth and proliferation of free market ideology, underpinned by what we refer to as the neoliberal logic, beginning in post-WW II Western economies? Are they being challenged? Are alternative possibilities emerging and taking root?

We aim to seed interest in exploring such questions more systematically with an illustrative vignette of how the dramatic consolidation of stock markets pre-Great Recession has seemingly stalled since 2008, enabling a nationalistic logic to re-emerge and challenge the now more corporate-driven neoliberal globalism logic (Crouch, 2011) – at least for the moment. Securities markets are at the heart of Capitalism, providing key symbolic markers of modernity, as well as an infrastructure for trading securities and allocating capital. The number of countries having stock exchanges nearly doubled in the past three decades with aggregate global market capitalization growing to \$64 trillion by 2007, although many stock exchanges remain small and have difficulty attracting indigenous investors

(Weber/Davis/Lounsbury 2009; Yenkey 2011). While consolidation efforts have been prominently supported by adherents to the neoliberal logic – touting the value and efficiency gains that accrue to a more centralized and globally interconnected stock exchange system – it is apparent that tight coupling and consolidation in financial markets can heighten systemic risk, lead to normal accidents, and result in substantial negative outcomes (e.g. Fligstein/Goldstein 2010; Guillén/Suárez 2010; Palmer/Maher 2010; Perrow 2010; Schneiberg/Bartley 2010).

The remainder of the paper proceeds as follows. We first provide a brief background of how the logic of neoliberalism has reshaped the securities market industry, with emphasis on the recent trends of stock exchange consolidation via mergers and acquisitions as well as alliances. We then note major stock market merger deals that have been blocked after the crisis (*NYSE-Euronext and Deutsche Börse, London and Toronto stock exchanges, and the Australian and Singapore stock exchanges*), arresting further consolidation and indicating that the neoliberal logic underpinning the globalization of financial markets is being challenged by a nationalistic logic. We close by calling for research on the emergent tension between these and other institutional logics (Thornton et al. 2012) that provide opportunities for reshaping society and economy in the early 21st century (Davis 2010).

The neoliberal logic and consolidation of stock markets

After enjoying centuries of monopolistic power, stock exchanges have experienced a fundamental transformation over the past half century. The rising allure of neoliberal thought and policy, notably promulgated by the postwar University of Chicago economics and finance departments (the so-called *Chicago School*), facilitated deregulation of extant financial systems, the general privatization of economies, the rapid creation of new exchanges around the world (trading, stocks, options, futures etc.), the development of electronic trading and state of the art IT platforms,

as well as the demutualization/privatization and consolidation of stock exchanges (Hart/Moore 1996; Karmel 2002; Pirrong 2000; Treptow/Wagner 2005; Hughes/Zargar 2006). Historically, stock exchanges were organized as non-profit mutual organizations working as isolated monopolies, not subject to competitive forces. They were physical places where a community of traders met and negotiated transactions face to face. However, the advent of IT and electronic trading helped to facilitate increased stock exchange competition around the world. For instance, corporations increasingly began to strategically assess exchanges on which to list, and felt free to switch exchanges (see Rao et al. 2000 on switching between the NYSE and Nasdaq). In addition, investors and the investment industry became globalized, and capital became increasingly mobile. These overall trends have their roots in the 60s and 70s, but began to accelerate in the 80s and 90s.

Stock exchange demutualization and consolidation are recent outgrowths of these wider shifts. A movement, supported by rhetoric of increased efficiency and the free flow of capital, emerged in the early 1990s to transform exchanges into for-profit shareholder-oriented corporations (Rydén 2010). Through 2007, 40 major exchanges around the globe had demutualized including major ones in New York, London, Toronto and Frankfurt. The move towards this form of privatization transformed mutual exchanges into 'regular' corporations with a 'price tag', and thereby reduced barriers to consolidation – via mergers and acquisitions (M&A) as well as alliances.

Consolidation of exchanges has occurred at many levels. At the country level, multiple stock exchanges created across different regions and major cities merged with each other to increase trade and liquidity (Lee 2010), and sometimes to create a "national stock exchange". Examples of this trend occurred in Germany (Deutsche Börse), Switzerland (SIX Swiss Exchange) and Canada (TMX Group). For example the TMX Group was created as a result of separate mergers of Toronto Stock exchange, Alberta Stock Exchange, Vancouver Stock Exchange, Winnipeg Stock Exchange and Natural Gas Stock Exchange of Canada.

In Europe, there were efforts to create a "Pan-European Exchange". While not fully achieved, Euronext was created in 2000 as a result of the merger of the Paris, Amsterdam and Brussels Stock Exchanges, later acquiring the London International Financial Futures and Options Exchange (LIFFE) and the Lisbon Stock Exchange. In the same vein, Nordic exchanges created OMX AB – created as the result

of the Swedish options exchange OM AB acquiring the Stockholm Stock Exchange. In 2003, this entity merged with the Helsinki Stock Exchange, creating the OM HEX and then renamed itself to OMX. Subsequently, OMX bought several Baltic stock exchanges (the Tallinn, Riga and Vilnius Stock Exchanges), as well as the Copenhagen and Iceland Stock Exchanges, and bought a 10% share in the Oslo Børs. Several exchanges tried to acquire the London Stock Exchange (LSE), but all were unsuccessful; but LSE acquired Borsa Italiana.

Finally, consolidation efforts unfolded at the inter-continental level. NYSE Euronext was created as a result of New York Stock Exchange (NYSE Group Inc.) acquiring Euronext NV in 2007. Currently, NYSE-Euronext is an international for-profit company running the New York Stock Exchange in the U.S., and 5 more exchanges in Europe. NASDAQ OMX was created as the result of the merger between the NASDAQ Stock Market, Inc. and OMX AB in 2008.

Figure 1 presents counts of alliances and M&A activities in the industry over the past three decades, showing that from 1995-2008, interconnection and consolidation activities grew dramatically. As many observers have noted, this consolidation activity substantially transformed the securities market industry in terms of structure, stratification and power. "In a matter of less than 20 years, the exchange industry structure changed from one characterized by many small member-driven, not-for-profit organizations to one dominated by a few global, listed corporate groups operating clusters of exchanges" (Rydén 2010). Christopher Cox, chairman of the U.S. Securities Exchange Commission said it is "inevitable that our parochial national market system will give way to the reality of a global market" (Financial Times, 13 July 2006:13, Jeremy Grant).

See Appendix, Figure 1

It is important to emphasize that this consolidation trend was justified and promulgated by prominent elites in government, finance and academia who were unabashed carriers of the neoliberal logic – the beliefs, ideals and practices associated with free market economics, financialization, globalization and limited governmental interference (see Campbell/Pedersen 2001; Krippner 2011; Lounsbury/Hirsch 2010). Paralleling the creation of superbanks in the U.S. and elsewhere that has led to popular post-crisis discussions of "too big to fail" and "systemic risk", politicians seemed to go out of their way to ensure each other

that global consolidation will not entail cross-border legal complexities or other complications. That is, there seemed to be shared beliefs and norms supporting the notion that every effort should be made to keep politics separate from markets, and allow markets to be self-regulating with as little interference as possible from regulators.

For instance, when European regulators were concerned about the potential spillover of American regulations into Europe with the NYSE-Euronext deal, the U.S. Securities and Exchange Commission assured them that "there is no risk of U.S. regulatory or legislative encroachment in Europe" (Dow Jones News Service, 1 December 2006, Arien Stuyt and Nicolas Parasie). Such efforts (perhaps due to the spirit of the time) were able to easily overcome appeals to "economic patriotism" (Callaghan/Lagneau-Yrmonet 2010). Even the European Commission took a back seat...

The European Commission Friday said it would not favor one deal over another in the bidding for European exchange operator Euronext NV after the German government said it favored an intra-European deal. "It is up to the sector itself to determine what it wants," said Oliver Drewes, an E.U. spokesman for financial affairs. (Dow Jones Capital Markets Report, 2 June 2006, William Echikson)

In the old days, when most big exchanges were 'quasi-public utilities,' political considerations mattered more... 'What really matters now is what do the shareholders think (Dow Jones News Service, 5 October 2006, Gaston F. Ceron).

Retreat from the neoliberal logic?

In the wake of the financial crisis beginning in 2007-8, skepticism began to be expressed about unbridled free market thinking and the associated neoliberal logic. Most prominently, Federal Reserve Chairman Alan Greenspan admitted, "those of us who have looked to the self-interest of lending institutions to protect shareholders' equity, myself included, are in a state of shocked disbelief" (New York Times, 24 October 2008, Edmund L. Andrews). He subsequently acknowledged a "flaw in the model that I perceived is the critical functioning structure that defines how the world works" (PBS News Hour, 23 October 2008). Within the discipline of economics, the ideas of Keynes and Minsky are being revitalized (Skidelsky 2009), and the self-regulating capacity of markets is receiving increased scrutiny (Cassidy 2009).

In addition, it appears that there was a concomitant re-emergence of a nationalistic logic. For example, it was reported that "South Korea is one step away from bringing the country's stock exchange under state control, a move that could sit uncomfortably with Seoul's ambition to cast itself as a financial hub. One of the exchange's executive directors said: The government move basically means we will come under state control... It's a step back and totally against global standards. Foreign institutional investors could lose confidence in our capital market" (The Financial Times, 11 December 2008: 19, Christian Oliver and Song Jung-a).

The Swiss Exchange was among the few western exchanges that did not demutualize and remained nationally committed despite the great consolidation. "To me, the top goal is not to bring as much money to the shareholders, but the top goal is to serve our country. ... We don't have to really squeeze out every dollar, because we are more interested in the infrastructure for Switzerland" (Interview with Peter Gomez, Swiss Stock Exchange Chairman, 2009). Another informant said "he spared no criticism for what he called the 'stupidity' of German banks in allowing the demutualisation of the German market. That had opened the door to short-term hedge fund investors, to the potential detriment of the country's longer-term status as a financial centre. "We don't intend to perpetrate a similar stupidity here." (Peter Gomez, Swiss Stock Exchange Chairman, The Financial Times, 13 Sep 2007, Haig Simonian). Overall, while the pre-crisis rhetoric was around adapt to the new order "or die", claims emerged after the crisis that "No one governance model is globally optimal for all market infrastructure institutions in the securities markets" (Lee 2010: 221).

The emergent nationalistic logic also became vivid with respect to M&A. Early on in the financial crisis, arguments emerged questioning the rationality of consolidation: "Today, the combined NYSE Euronext entity is worth just \$5.5bn, barely a quarter of the \$20bn price tag when the deal was struck. The LSE group has also been hit hard, its value dropping to £1.2bn from £3.9bn when the Borsa bid was announced. Nasdaq OMX escaped more lightly, its market value falling to \$4.4bn from \$7bn... The magnitude of the writedown and the value destruction implicit in the lower share prices raise the question of whether the mergers were a good idea in the first place" (Financial News, 19 February 2009, Tom Fairless).

However, by 2010-11, free market advocates started re-asserting the value proposition of consolidation and financial liberalization. "Ten years ago, stock exchanges were national institutions with hundreds of years of history that governments would protect to the death. Now, there's a rush to get global and, in the face of the competition, there's no time for nationalism." (The Daily Telegraph, 10 February 2011, Louise Armitstead) "As the global economy regains its footing, another wave of consolidation of financial markets appears to be sweeping four continents". (Xinhua News Agency, 12 February 2011, Christine Xu); "The burst of merger activity – and the astonishing speed of the announcements – shows that exchanges once again believe that bigger is better after taking a break during the financial crisis." (The Globe and Mail, 10 February 2011, Boyd Erman, Eric Reguly & Joanna Slater)

Starting with the Singapore Stock Exchange's bid to acquire the Australian Stock Exchange, major M&A efforts re-emerged. The London Stock Exchange made a bid to acquire the TMX Group (parent company of the Toronto Stock Exchange), and on the same day, the NYSE-Euronext announced that it was in advanced talk to merge with the Deutsche Börse. With respect to that latter deal announcement, George Ball, a former governor of the American Stock Exchange and the Chicago Board Options Exchange, noted: "mergers and consolidations come in waves, and the NYSE-Börse deal is probably going to force other exchanges to combine whether they want to or not" (The Wall Street Journal Online, 9 February 2011, Brendan Conway and Chris Dieterich).

However, newly active regulators and public officials, carriers of an ascendant nationalistic logic, began to challenge these efforts.

It used to be said that each country had an airline, a flag and a stock exchange,' said Ruben Lee, CEO at Oxford Financial Group. The crisis of 2008 has deepened politicians' suspicions toward the financial industry. 'There is political support for intervention that wasn't there before'. In a range of countries, politicians have grown more confident pushing 'national interest at the expense of the global. (The Wall Street Journal, 15 April 2011, Aaron Lucchetti and Gina Chon)

Ultimately, all three deals were aborted. The proposed merger between ASX-SGX was blocked by the Australian government. Australian Treasurer, Wayne Swan, who had the final say over the deal said: "this was the wrong deal for Australia. It's not in our national interest." (Australian

Treasury website, Accessed May 2012) The proposed deal between the London Stock Exchange and the Toronto Stock Exchange was stopped by the participating exchanges as they found out they could not secure shareholders' approval. In response the Ontario Finance Minister Dwight Duncan stated: "This is the kind of response that I had hoped would come from the private sector." (The Globe and Mail, 30 June 2011, Boyd Erman and Karen Howlett) And finally, the proposed merger of NYSE-Euronext and Deutsche Börse got blocked by the EU Commission on competition grounds. We present this last case in more depth to illustrate how the rise of the nationalistic logic went hand-in-hand with the growing politization of markets.

The Failed Consolidation of NYSE-Euronext and Deutsche Börse (NYX-DB).

On February 9th 2012, hours after TMX and LSE announced that they have been in merger talks, NYX-DB revealed that they were also in advanced merger negotiations. Soon thereafter, they announced that the boards of both companies have approved the deal and planned to incorporate as a new holding company in the Netherlands. Upon completion, Deutsche Börse shareholders would own 60% of the combined entity while NYSE-Euronext members would hold 40%. A fact less emphasized publicly, especially at the beginning, was that 35% of DB itself was owned by Americans; therefore the majority of the combined entity would be American. But both parties emphasized that it was "a merger of equals". DB would have had 10 out of the 17 board members of the merged company until 2015 when shareholders could elect their candidates "irrespective of their nationality". In addition, the combined company's leadership group and executives were proposed to be drawn equally from both companies. The deal was to be finalized by the end of 2011.

Aside from creating one of the world's largest exchanges with regard to revenue and profit, it was also argued that there would be EUR 300m in cost savings due to economies of scale in IT platforms and operations; it would also be a world leader in capital raising, product innovation, derivatives, and risk management; it would offer clients global reach, enhanced technology and market information solutions, a simplified clearing processes, and an attractive revenue mix; and finally it would create a transparent and well-regulated market for issuers and clients around the world. Reto Francioni, Deutsche Börse's CEO, noted:

This combination will create significant value for all stakeholders. This transaction brings together two of the most respected and successful exchange operators in the world to lead the way in global capital markets and set the standard for growth, quality and market reach. The combination makes sense for all of our constituencies. Shareholders of both companies will benefit from unique growth opportunities and synergies. Clients will have unparalleled access to markets, products, information, world-class technology, clearing services and settlement – globally and around the clock. (NYSE Website, Accessed 01 October 2012)

Like any other deal in the industry, the transaction was subject to regulatory and shareholder approval. However, while a deal like this would have sailed through the approval process just a few years prior, the crisis had altered the politics of markets. As a result, some expressed skepticism about U.S. governmental approval because of the iconic status of the New York Stock Exchange, while others were doubtful about the likelihood of approval by the E.U. commission given the desire to create a more powerful Euro-centric financial market.

The nationalistic logic became apparent in the rising chorus of commentaries by political elites. Some were urging a retreat from "financial Darwinism" and to stop Wall Street from becoming "Wall Strasse". U.S. Representative Ed Royce said: "We've eroded the dominance of the U.S. capital markets." (The Wall Street Journal, 11 Feb 2011, Jessica Holzer, Michael Howard Saul and Patrick O'Connor) "It's just a frightening thought to believe that a symbol like the Statue of Liberty...may not be ours" said Rep. Charles Rangel (Dow Jones Business News, 10 February 2011, Jessica Holzer). Hatch, Republican on the Senate Finance Committee and a member of the Senate Judiciary Committee said: "I think that we'd be crazy if we allowed that to happen...When the Germans are talking about taking over the New York Stock Exchange and the Chinese are demanding that the yuan be the world's peg – that's very disturbing." (Dow Jones Commodities Service, 15 February 2011, Siobhan Hughes)

Nonetheless, shareholders of both Deutsche Börse and NYSE Euronext overwhelmingly supported the deal. And it is important to note that the main competitors of the NYSE-Euronext did not pose a roadblock, publicly stating that the deal will not change the competitive dynamics of the industry significantly. CME Executive Chairman Terry Duffy said. "Yes, they are a formidable competitor, but so are we." Nasdaq OMX CFO, Adena Friedman indicated that "we don't see any significant competitive dynamic that

changes" (The Wall Street Journal Online, 15 February 2011) and Brodsky from CBOE said "I don't think...[competition] is going to change in a meaningful way." (Dow Jones Business News, 08 February 2011, Jacob Bunge)

In addition, NYX-DB received regulatory approvals from multiple responsible authorities including the Committee on Foreign Investments in the U.S. which concluded there are no national security grounds to oppose the tie-up. "BaFin's overall conclusion was that there are no grounds against the merger in Germany in terms of banking supervisory regulations" (Dow Jones Business News, 12 September 2011, Neetha Mahadevan). In addition, the Antitrust Division of the United States Department of Justice as well as the U.S. Securities and Exchange Commission (SEC) cleared the proposed combination.

So what happened? Even though the to-be NYX-DB's CEO stated that they "had been in touch with regulators in Europe and the U.S. and didn't anticipate significant resistance" (The Globe and Mail, 16 February 2011, Kevin Carmichael), European antitrust authorities began to raise concerns. The EU commission studied the deal, surveyed banks, trading firms and other relevant groups and had two rounds of negotiations with the NYX-DB, and despite remedies offered by the NYX-DB, the EU commission ultimately concluded that combining NYSE Liffe and DB's Eurex – the region's two dominant venues for listed derivatives trading – would dampen competition in Europe. "The proposed merger would remove a strong competitor from the market and would give the merged company by far the leading position in derivatives trading in Europe" said Joaquin Almunia, competition commissioner (Agence France Presse, 4 August 2011) The commission "needs to make sure that markets which are at the heart of the financial sector remain competitive." (Associated Press Newswires, 4 August 2011). "Another concern about creating dominant derivatives markets is the potential threat to systemic stability in the event of a major financial crisis if most derivative trading is being cleared and settled within a single entity." (Business Spectator, 11 January 2012, Stephen Bartholomeusz) On January 26, 2012, it was officially announced that the EU Commission decided to block the merger (Zephyr, Accessed on 1 October 2012).

While it is clear that issues of systemic risk related to concentration of assets and activity in a single, large entity was a key rationale behind the decision, the rising specter of governmental control is the result. "The collapse...offers another reminder that the fate of merger activity often

rests with government regulators...Many analysts and investors now expect that exchanges, whose various merger efforts had to confront antitrust concerns, nationalist sentiment and shareholder resistance, will likely take a breather from ambitious deal pursuits." (Wall Street Journal, February 2, 2012, Jacob Bunge)

Certainly the failed merger attempt gave more credence to those trying to roll back and resist the relentless drive of financial globalization...

"The ASX/SGX and TMX/LSE deals failed, not on competition grounds, but because of parochialism, the fear of a loss of sovereignty and some concerns...about the potential for threats to the integrity of the local market...in the event of a financial crisis...It is apparent that regulators and politicians don't like exchange mergers of any real scale and import, whether it is for political reasons or on competition grounds. The continuing financial crisis and its politicisation of anything to do with finance, the fear of derivatives and any concentration of activity in them, and narrow and arguably outdated definitions of the boundaries of securities markets make it unlikely that any merger of significance will get past them smoothly any time soon. The era of exchange consolidation and the notion of global exchanges may not have ended, but it does appear to have paused." (Business Spectator, 11 January 2012, Stephen Bartholomeusz)

Such commentaries suggest a move towards financial market protectionism and nationalism, while also a sensibility that we must be wary of creating "too interconnected to fail" organizations. Antitrust law may become a growth industry once again. But time will tell how long it takes governments and policymakers to forget the lessons learnt (Wade 2009); NYSE-Euronext CEO Niederauer suggests: "I still think we'll get there ... it is going to take one more deal to have success, to break the ice again." (Bloomberg Interview, 27 January 2012) Thus, it is unclear whether the Great Recession will have an enduring impact that redirects the forces and trends that led to the current calamity. And while regulators and political elites have asserted their authority, widespread social mobilization seems impotent – for instance, the Occupy Wall Street movement, one of the more visible global reactions to the crisis, seems to have devolved into a sanitary bourgeois enterprise.

Discussion

Our aim in this article is to encourage more systematic research on the unfolding process of the Great Recession

in order to understand how society and economy are changing, and to ascertain what sorts of alternative possibilities for social organization may be emerging (Schneiberg 2007). While we have used the case of the arrested consolidation of stock exchanges to highlight how a renewed nationalistic logic may be arising to challenge the neoliberal logic, more empirical and conceptual depth is needed to flesh out the processes that are unfolding. The relationship between states and markets is very complex and highly variable across space and time. As Block (2010) reminds us, despite the moral principles – especially vivid in conservative U.S. politics – that strive to maintain the imagery of a state segregated from markets, economic sociologists have tirelessly argued that markets and politics are always intertwined.

Thus, it would be useful to explore in more depth how the neoliberal and nationalistic logics are intertwined, how the content of and relationships between these logics shape the role and orientation of regulators and policy makers, and how these vary across space and time. For instance, how different are the mindsets and behaviors of regulators today as compared to 1980, 1965, and 1920? In the context of our case, it is clear that EU regulators came to a very different conclusion than U.S. regulators with regard to the proposed NYSE-Euronext and Deutsche Börse merger. Have U.S. regulators been fully co-opted by the neoliberal logic? Is the neoliberal logic weaker in Europe? Perhaps. But there are also other institutional logics in play as continental states often have stronger commitments to the interpenetration of society and economy than the U.S. state.

Building on the ideas of Friedland and Alford (1991), a wider literature has developed around understanding the relationship of different institutional orders and how these wider societal beliefs and practices shape behaviour – this has resulted in what Thornton, Ocasio and Lounsbury (2012) have labelled *The Institutional Logics Perspective*. They highlight the importance of seven institutional orders – the state, family, religion, market, profession, corporation and community. Each of these orders has a variety of symbolic and material elements associated with them, and each order can spawn multiple manifestations of institutional logics. In addition, any given context can be influenced by logics which reflect hybridizations of elements from different orders, and also contain multiple institutional logics that can influence behaviour in an institutional field.

Thus, different stock exchanges (e.g., in Sweden vs. Canada) would most likely be influenced by a different set of institutional logics. While what those are is a matter for

empirical investigation, it seems likely that for core capitalistic institutions such as stock exchanges, the logics at play will be most likely reflective of the inter-field relationships between politics and markets in a society (Fligstein/McAdam 2012) as well as the particular content of the ideas and beliefs that inform and shape political and economic practice in a society. Furthermore, other logics deserve attention. For instance, in different societies, logics associated with religion may play a much larger role in influencing the functioning of stock exchanges and financial systems more generally (e.g., the role of Islam in Turkey, Egypt and elsewhere). And professional logics will have variable influence across stock exchanges due to the fact the finance professionalism is much more developed in the West than elsewhere. To flesh this variety out, it would be especially helpful to have more comparative research (McDermott, 2010).

Furthermore, as Davis (2010) has highlighted, the financial crisis seems to have already facilitated the rise of alternatives; he argued that the corporate-centered, ownership society that dominated the U.S. through much of 20th century has now given way to a more dynamic, "Lego entrepreneur" economy where firms are assembled with "off-the-shelf" components and contracts with various suppliers of key services (e.g., Vizio). While new forms of entrepreneurship go hand-in-hand with the construction of new logics, it would be useful to probe in more detail the challenges to large multinationals as a result of the Great Recession, and whether other alternative logics and associated forms, cooperatives for example (Schneiberg 2002; Schneiberg/King/Smith 2008), can take root. It goes without saying that much more detailed research is required to ascertain how much of Davis' argument holds merit, or whether Crouch's (2011) claims about *The Strange Non-Death of Neoliberalism* are more accurate. The value of the institutional logics perspective is to emphasize the heterogeneous ways in which economy relates to society, how heterogeneity in capitalist organization is mobilized or suppressed, and how a variety of outcomes and kinds of forms and practices result and shift across time and space. To the extent that the Great Recession has opened up a variety of new possibilities and experimentations, we as social scientists have a tremendous opportunity to document socio-economic change efforts, and understand the microprocesses associated with institutional reconfiguration and change. Noting the contemporary challenge of the re-emergent nationalistic to the neoliberal logic just scratches the surface.

Michael Lounsbury is Professor at the University of Alberta School of Business. His research focuses on institutional emergence and change, entrepreneurship, and the cultural dynamics of organizations and practice. Lounsbury has written many articles on the dynamics of financial institutions such as mutual funds and stock exchanges, and has co-edited a volume on the financial crisis *Markets on Trial* (with Paul M. Hirsch, 2010).

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Endnotes

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Appendix

Figure 1: Counts of demutualization, collaboration and M&A events (1980-2009)

