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C O M M E N T A R Y

# ALTERNATIVE FORMS OF ECONOMIC ORGANIZATION: BE CAREFUL WHAT YOU WISH FOR

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Management researchers have been accused of avoiding the "big questions." For example, Starkey (2015) criticized management journals for paying little attention to the global recession and financial crisis of 2007–2008. In recent years, though, management researchers have begun addressing one of the big questions: Is free enterprise always the solution? Indeed, "Capitalism in Question" was the theme of the 2013 Academy of Management conference in Orlando. We add to this debate by publishing a symposium from this conference, organized by Professor Paul Adler of the University of Southern California, on "Alternative Economic Futures: A Research Agenda for Progressive Management Scholarship."

This symposium was inspired, at least in part, by the global financial crisis of 2007–2008. While its intention is to start a conversation in management on alternatives to capitalism, this conversation will be useful to guide future research only when one comprehends (and, we hope, addresses) the etiologies of the arguments provided in this essay (c.f. Agarwal, Barney, Foss, & Klein, 2009). We note that the typical progressive narrative regarding policy choices in the aftermath of financial crises focuses on *market failure* as the main cause. Thus, the proposed solutions typically involve some form of intervention to correct "market excesses." We acknowledge that market adjustments are seldom smooth, so that when supply responds to discontinuities in demand, the disruptions to organizational integrity and employment can be significant. However, policy interventions to mitigate the consequences of market adjustments are *themselves* a form of disruption that can extend and even deepen the pain for stakeholders. To this end, we seldom see mention of the role of *government failure* (Winston, 2006; Coase, 1964) as a cause, or at least abettor, of crises. For example, the Community Reinvestment Act of 1977 created intense pressure on banks to support the "ownership economy" by issuing loans to consumers who were increasingly less creditworthy (Agarwal, Benmelech, Bergman, & Seru, 2012). Although it would be three decades until the severe recession of 2007 and the financial crisis of 2008, a testament more to the perceived opportunities in U.S. investments, the outcome was eminently predictable.

The use of economic turmoil as a reason for advocating progressive policies has a long, storied history (Higgs, 1987). In the aftermath of the Great Depression, President Franklin Delano Roosevelt, relying on his brain trust of Columbia University professors—Raymond Moley, Rexford Tugwell, and Adolph A. Berle, Jr. (famous for his academic research with Gardiner Means on corporate governance)—developed a series of interventionist policies known as the New Deal. Shortly after World War II, the United Kingdom and other European nations, also relying on the assistance of key academics, adopted a series of progressive policies that gave rise to a large, unwieldy welfare state that many European Union nations have been struggling to sustain (Leuchtenburg, 1995). Hence, the articles in this symposium are not just a reaction to the cataclysmic events of 2007 and 2008, but also a reflection of concerns regarding income/wealth inequality and perceived "unfairness" in the workplace and society that go back at least 50 years.

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