Proposed title of the session
Cores and peripheries in national capital markets: exploring the role of regional stock exchanges, 19th-20th c

Abstract
At the turn of the 20th century, capital markets both in Europe and overseas were articulated on multiple exchanges operating within the same national jurisdiction. A brief world census compiled by Henry Lowenfeld in 1907 reported 9 active exchanges in the UK; 7 in the USA; 6 in Germany; 5 in France; 4 in the Russian Empire, Austria-Hungary, Italy and India; 3 in Switzerland, Australia and New Zealand; 2 in Spain, Japan and China. In some cases, the system was strongly hierarchical, with one large core exchange (London, Berlin) – or competing-and-complementary exchanges (Bourse and Coulisse in Paris, NYSE and Consolidated in New York: see Hautcoeur and Riva 2012; Brown et al 2008) – dominating over provincial or regional trading places. In other cases, competition arose among markets of comparable size (e.g. Milan and Genoa in Italy, Madrid and Barcelona in Spain).

Theory suggests that informational integration, externalities and economies of scale should promote the concentration of both issuers and investors in one single trading platform with high liquidity and efficient price discovery; in this perspective, competition between different exchanges should gradually lead to the emergence of a single dominant exchange. However, information asymmetries, and heterogeneity of market participants and securities traded, could justify the survival of multiple markets. History can shed light and open new perspectives on this issue.

Outside the British and US cases (e.g. Thomas 1973 on provincial stock exchanges; Michie 1985 on the practice of shunting connecting London with provincial exchanges; White 2013 on the competition between NYSE and smaller exchanges), historical research has neglected this reality. As a consequence, we know little about the origins, size, liquidity, composition, functional role and operating characteristics of regional exchanges in the 19th and early 20th centuries. Did they compete with, or complement core exchanges? How large were cross-listings? How did they adapt to informational integration and arbitrage opportunities driven by telegraph and telephone connections? Were they specialized by sector or by securities traded (e.g. stocks, bonds, government debt)? How large was their contribution to the financing of national investment? Did they raise capital and provided liquidity for local SMEs? Did they develop original institutional arrangements or simply replicated the microstructure and trading techniques of the leading exchanges?

Some research projects are currently being launched on the history of regional stock exchanges in France, Germany, Italy and Spain. The proposed session invites contributions on other national cases worldwide.

References
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Thomas W.A. (1973), The Provincial Stock Exchanges (Cass)
White E. (2013), Competition among exchanges before the SEC: was the NYSE a natural hegemon?, Financial History Review, 20 (1)

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