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Call for Papers for a Special Issue

"The return of the Leviathan? Private and Public Firms in the 21st Century"

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The financial crisis of 2007-08 has forced many governments in developed countries into the wholesale nationalisation of financial services profit-making private institutions in order to avoid the potentially systemic consequence of their going bankrupt. While the long term objective was to return to the private sector as quickly as possible, their very size and complexity and the depth of the crisis in which they were found to be implied that the coexistence of private and public firms in the sector would last for several years. Partly as a reaction to this crisis, but also as a sign of a deeper and less specific dissatisfaction with the market economy, many countries are witnessing the successful emergence of political parties and social movements which clamour for greater state intervention in the productive sector of the economy, both in terms of more stringent and wide-ranging regulation, and in terms of outright nationalisation of currently private firms. Thus, for example, the opposition Labour party in the UK run the 2017 parliamentary election on a platform of nationalisation of the railway system and the energy supply, and the Scottish government intends to create a publicly owned electricity supplier.

And of course, despite the extensive privatisation programmes carried out in developed countries since the 1980s, many firms in developed countries, in sectors such as utilities and transport are still owned by central or local government agencies. Thus many markets continue to see the simultaneous presence of privately owned and publicly owned firms, and these markets, typically, comprise a limited number of strategic firms, and hence are labelled "mixed oligopolies".

One of the aspects highlighted by the early literature on the interaction between public and private firms is that their different objective function affects both their behaviour and their performance, as well as the overall efficiency of the industry, as for example, with the case of financial institutions Fannie Mae and Freddie Mac in the US.

The aim of this special issue of the Annals is to bring up to speed the analysis of the markets where private and public firms interact. Therefore, we invite papers that address the following questions:

- Has the recent experience of interaction between private and public firms shed any light on the relative merits of private and public ownership?
- Is there empirical evidence shedding light of the relative performance of public and private firms operating in the same markets?
- Are any markets where the simultaneous presence of public and private firms is more likely to be beneficial or harmful?
- Is there a role for public agencies to compete with private ones in the public procurement process, as could be, for example, the case where state or regional road builders participate in an auction for the award of the contract for a public motorway?
- In many countries, the publicly funded health and education provision is supplied by a combination of publicly and privately owned providers: State and private hospitals (either non-profit or for-profit) competing for the award of contracts with purchasers of health services to a given population, or for-profit schools or kindergarten competing with those run by state or regional agencies.

We invite both theoretical and empirical contributions, broadly intended (i.e. both formal and qualitative theoretical analyses, econometric and case studies). All the papers will go through the usual refereeing process.

Timeline:

- Call for papers opens: November 2017
- Call for papers closes: 28 July 2018
- Publication in last issue of year 2019 (Vol 90, 4)
- Submissions with indication “Special Issue” to http://mc.manuscriptcentral.com/apce