



Call for papers

State-owned enterprises in the 21th century: a new handbook

(full version)

State-owned enterprises now represent approximately ten per cent of global gross domestic product with sales of \$ 3.5 trillion (Bruton et al, 2015). Reforms in the provision of public services have made their activities more important and more visible over the last decade although they are understudied (Grossi et al, 2015) or they were. Public enterprises as they are known in Europe or state-owned enterprises as we will use (Papenfuss et al, 2015) are important policy instruments (Christiansen, 2011).

There is an increase in the number of publications on the topic. Two special issues have been published recently in the *Annals of Public and Cooperative Economics* (Florio and Fecher, 2011; Bance and Obermann, 2015), one in the *Journal of Economic Policy Reform* (see Florio, 2014), another in *Economia Pubblica – the Italian Journal of Public Economics*, another one in the *International Journal of Applied Economics*, again in the *Journal of International Business Studies* and also in the *International Journal of Public Sector Management* and new books are available (for example, Bernier, 2015). These publications have presented various aspects of the new role and particularities of state-owned enterprises, new theoretical perspectives and empirical analyses and case studies. We believe that the time has come for a new synthesis of these researches and thus propose to organize three events to help prepare a new theoretical handbook on the topic.

A state owned enterprise is (Florio, 2014:201):

- ultimately owned or co-owned by the national or local government
- internalizing a public mission among their objectives
- enjoying full or partial budgetary autonomy,
- exhibiting a certain extent of managerial discretion
- operating mainly in a market environment, and
- for which (full) privatization would in principle or de facto be possible, but for some reasons, it is not a policy option.

SOEs are hybrid organizations that are at the same time market oriented and operate in a business-like manner to offer public services. Every element of this definition has been studied recently but these researches have to be put together. “Policy makers as well as scholars need new ideas about the proper role, scope and governance of these enterprises” (Florio, 2014:202),



and thus we have to search if not a new consensus, at least where research stands and where future research should be focused on. Around the world, the contemporary SOEs are not the large industrial enterprises or public monopolies of post WWII. Their involvement is more financial than it used to be (Lévesque, 2003) while the role of the state in society was also radically transformed. The current context requires a new analysis of transformed and adapted public enterprises. Some of these enterprises are still fully owned by the state but not all of them. New governance models have been developed: holding companies, agencies responsible, etc.

Several issues have been debated over the last few years and should be reviewed. States have used them to foster research and innovation and for the implementation of industrial policy (Millward, 2011). There is no consensus about the role of these enterprises in a world where privatization, liberalization and deregulation have changed the institutional environment of SOEs. New ways of looking at the public mission have been developed over the last decades: questions about social responsibility, sustainable development... And the public mission is important to avoid that the enterprise is captured by private interests (Del Bo and Florio, 2012). Governments have to decide the policies to be implemented by SOEs but the entrepreneurship (Bernier, 2014) or the strategies are also of importance (Luke and Verreyne, 2006; Hafsi, 1989). Sophisticated research exists on the financial arrangements linking states and their enterprises. Mainstream neoclassical economics and New Public Management are not comfortable with the idea that state-owned enterprises could perform well. Privatization is considered a better option. So we have to look for alternative explanations in sociology, public administration, management, etc. Satisfaction of customers could also be considered (Ferrari and Manzi, 2014). Studies of their governance have also been developed while research on privatization continues as well as their managerial autonomy or entrepreneurship (Bernier, 2014). What institutional theory has to teach us on them has been presented (Bruton et al, 2015) but other perspectives could and have to be considered. SOEs can be counter-cyclical. Governments have used them to face the 2008 economic crisis to rescue ailing firms and to maintain production facilities facing the risk of cessation of activity (Bance and Bernier, 2011; Bance, 2012; Bance and Obermann, 2015). Their economic role has changed also, more financial than it used to be in the 20th century.

Although privatization could be considered *passé*, why, and how is still an important issue to be discussed as well as renationalisation or remunicipalisation. There might be a new trend toward reintegration within the state (Clò et al, 2015) but still what are the advantages and limits of privatization could be seen in a new light. The reintegration has also to be covered. We did mention the municipal level where local services are provided by SOEs. In countries such as Germany where the national companies have been sold, local services remain delivered by SOEs (see Bernier, 2015). One important issue remains the performance of these firms linked to their organizational structure. Does corporatization without privatization improves performance



(Aivazian et al, 2005)? Corporate governance of SOEs continues to be a challenge in many countries. There are continuing questions about which models, mechanisms, instruments and processes could be used for the effective and efficient provision of public services (Grossi et al, 2015:275).

Several case studies have been realised (Bernier, 2015). Various attempts to look at their use in both developed and developing countries have also been achieved (Macdonald et al, 2014). These studies have to be put together and discussed to assess how much knowledge is commonly shared by scholars on the topic in the contemporary situation. If state-owned enterprises are still today important despite decades of privatisation, the last textbooks or collective books on the topic are from the 1980s (Aharoni, 1986; Hafsi, 1989). In public economics textbooks, the traditional chapter on public enterprises has disappeared or has been replaced by a chapter on privatization. This said, there is a burgeoning scientific literature on SOES that the topic has been re-established as a research field. Important issues are currently discussed such as their corporate governance (Grossi et al., 2015) or their policy role (Bernier, 2015).

The current proposal is to have three events in the first semester 2017 to discuss SOEs and help accelerate the production of a theoretical handbook on the topic:

- June 8, 2017 at the University of Rouen (France), organised with the European Jean Monnet - EUsers' network (followed on June 9 by an international CIRIEC conference associated to the EUsers' network about "The Governance of Public Organisations in the 21th Century")
- June 22-23, 2017 at the University of Milan (Italy), XVI Milan European Economy Workshop
- November 2-3, 2017 at the University of Ottawa (Canada),

We believe that it is important now to discuss at this point what is the current knowledge on SOEs. We are proposing to build a theoretical synthesis. Time has come for a new handbook on the topic that would strongly re-establish the importance of the topic. This conference would allow discussing the essential papers to propose a handbook that would be published by a renowned editor among the two with whom we have had preliminary discussions.

We ask a group of scholars already known of specialists on public enterprises to participate. The team we assemble for this handbook is linked to the International Scientific Commission of CIRIEC "Public Enterprises/Public Services" and to the Jean Monnet EUsers network. In addition,



we invite by this call of papers all other scholars interested to have the opportunity to discuss their research in an international community.

We thus make here an **open call for theoretical papers**. A preliminary table of content has been established: you will find it after the bibliography.

Please note that case studies will not be accepted. However, several journals are always interested in receiving contributions on SOEs, such as for instance CIRIEC's Journal, the *Annals of Public and Cooperative Economics* ([APCE](#)).

If you believe that you could make a theoretical contribution to this project, please send your proposal in English **by March 15** (deadline extension) to barbara.sak@ciriec.ulg.be.

Your proposal (along the [template](#) provided) should include

- the theme/topic envisaged
- an abstract (500 words) of your intended contribution
- a brief author bio (5 lines)
- and contact information.

Acceptance or refusal of your contribution will be sent back to you by March 31.

The Scientific Committee is composed of:

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Theoretical handbook – Table of content (Preliminary proposal)

The scope of the phenomenon

Numbers on the size of the public sector-SOES/scope

A Typology

Sovereign wealth funds

A public mission?

SOEs as multinationals, international activities

Capitalism and state capitalism

SOEs in developing countries

The Chinese case

SOEs as multinationals

Network industries and infrastructures

Approaches to the study of SOEs

The economics of SOEs

Institutional analysis of SOEs (logics, decoupling)

Law and SOEs

Public Entrepreneurship and SOEs

The politics of SOEs



Issues about governance

State-SOE relations or ministries/Agencies in charge of SOEs

The governance of SOEs

Economic policy and SOEs

Accountability

Regulation

Corporate social responsibility of SOEs

Stakeholders. Citizens and SOEs

Strategic management

The activities of SOEs

Implementing economic policy

Inter-municipal or intergovernmental agreements

Publicness, public interest and public values

Coordinating SOEs

Transformations of the state and SOEs

State-owned enterprises and economic crises

SOEs in a policy instrument perspective

Financial management of SOEs

Conglomerates and filialisation

Regional development



The results of SOES

SOEs as Institutional investors

Economic Performance

Efficiency

Competing with the private sector?

Monopolies and markets

Privatization or reform?

Partial privatizations, PPPs and other similar solutions

Reforming SOES, corporatizing, etc.

Renationalisation

New forms of statism

Conclusion

Perspectives and future developments

Paths for future research