Biotechnology: Corporate Power Versus The Public Interest

Steven Paul McGiffen
The advantages and disadvantages of public versus private corporate ownership have long been debated; however, little empirical research has provided insight into the issue. We investigate the consequences of public versus private ownership on future profitability by examining a large cross-section of public and private firms as well as a propensity-matched sample of public and private firms. We find robust evidence that public firms are associated with significantly lower operating profitability three and five years into the future when compared with private firms and that the differential fu