

# Privatization

**Hull, John C., Options, Futures, & Other Derivatives, 6th edition, Pearson Education, 2006, ISBN 0-13-149908-4.**

*"Designed to bridge the gap between theory and practice, this successful book is regarded as "the bible" in trading rooms throughout the world. The book covers both derivatives markets and risk management, including credit risk and credit derivatives; forward, futures, and swaps; insurance, weather, and energy derivatives; and more. For options traders, options analysts, risk managers, swaps traders, financial engineers, and corporate treasurers."*

**Kenneth Arrow, *The Limits of Organization*, Norton, 1974.**

*"A good read that, at under 80 pages, quickly gets to the point. Based on a lecture series, this book explores public choice concepts with regards to organizations. This is a good augment to North's books on institutions."*

**Albert Hirschman, *Exit, Voice and Loyalty: Responses to Declines in Firms, Organizations and States*, Harvard University Press, 1970.**

*"Public Policy : This is an imaginative little book. Its message should be of use to economists, political scientists, and all those interested in policy questions related to these areas. Hirschman starts his argument by assuming that in time all organizations (firms, bureaus, political parties, governments, and so on) develop slack and experience a deterioration in the quality of their output. The clients of a declining organization have two options for reversing this trend: exit and voice. And much of the book is devoted to an explication of the ways in which these options operate, their relative advantages and weaknesses, the interdependence between them...It is in these discussions of current problems and institutions, however, that I find the book most rewarding. His basic point, that there exists a symbiosis between exit and voice, is certainly valid and significant. Its importance gets driven home by the way Hirschman applies the idea to various current issues. One emerges from the book feeling he has obtained a new analytic insight into policy questions which can be applied again and again."*

--Dennis C. Mueller

**Altshuler, Alan and David Luberoff. *Mega-Projects* Brookings Institution, Washington DC (2003)**

*Martin Wachs, University of California, Berkeley*  
*"...insightfully blends urban political theory with detailed case studies to arrive at a new understanding of large public works projects...."*

**Evan McKenzie, *Privatopia: Homeowner Associations and the Rise of Residential Private Government*, Yale University Press, 1994.**

*"This book is the first comprehensive study of the political and social issues posed by the rise of common-interest housing developments and their private governments. Tracing the history of this type of housing from the nineteenth century to the present, McKenzie highlights the important but little-understood role public policy has played in advancing this large-scale "privatization for the few," and he concludes by considering the implications for civil liberties and for politics at all levels of government."*

**Donahue, John. 1989 *The Privatization Decision*. Basic Books: New York.**

*“In this book, John Donahue challenges the promise of privatization as a cure-all to the problems of government. He offers a persuasive argument which defines the two realms of privatization, and follows up with a discussion of when privatization is sensible. He reframes the privatization debate from several general areas.*

*Donohue draws three basic conclusions from his work. First, that the best elements of government to privatize are those in which the government can precisely specify in contractual terms the work to be performed. Second, He explains the lengths at which it is reasonable to go to make a privatization effort work. Third, to emphasize the need for competitiveness -- albeit from private companies or government itself.” – Patrick O’Hara*

**Elliott Sclar, *You Don’t Always Get What You Pay For: The Economics of Privatization*. Cornell University Press, 2000.**

*“Elliott D. Sclar offers a balanced look at the pitfalls and promises of public sector privatization in the United States. Describing the underlying economic dynamics of how public agencies and private organizations actually work together, he provides a rigorous analysis of the assumptions behind the case for privatization.*

*The competitive-market model may seem appealing, but Sclar warns that it does not address the complex reality of contracting for government services. Using specific examples such as mail service and urban transportation, he shows that, in an ironic twist, privatization does not shrink government--the broader goal of many of its own champions. He also demonstrates that there is more to consider in providing these services than trying to achieve efficiency; there are issues such as equity and access that cannot be ignored.”*

***Governing by Network: The New Shape of the Public Sector*, by Stephen Goldsmith and William D. Eggers. Washington, DC: Brookings, 2004.**

*“Written by former politician Stephen Goldsmith and global director of Deloitte Research, Public Sector William D. Eggers, *Governing by Network: The New Shape of the Public Sector* exposes a largely hidden but nonetheless monumental transformation in the manner that public services are delivered and local and national governments fulfill their policy goals. Dubbed “governing by network”, it presents great challenges to those in charge: skill-set issues (managing a contract to capture value); technology issues (keeping information systems compatible with one another); communications issues; cultural issues (including differences between public, private and nonprofit sector cultures) and much more. *Governing by Network* clearly outlines what works in a networked state and what is a recipe for failure, using case studies as well as firmly established practices. Chapters focus on achieving the goals of efficiency and effectiveness in the constantly changing and increasingly technological 21st century. *Governing by Network* is especially recommended for political leaders, political science teachers, political science students, and school library collections for its invaluable contribution to observing dramatic shifts in leadership and day-to-day practice requirements.”*

**Robert A. Strong. *Derivatives: An Introduction*, 2<sup>nd</sup> Edition, South-Western Publishing (Thompson Learning), 2005.**

*Bob Strong's practical, applied approach, and his ability to explain the intuition underlying the math, makes this text the first truly accessible, yet comprehensive, derivatives book.*