

Publications in Organizational Theory

“Resource Partitioning and the Organizational Dynamics of ‘Fringe Banking’” (co-authors Giacomo Negro and Anand Swaminathan). *American Sociological Review*, 79(4) 680-704 (2014)

We examine the emergence and proliferation of payday lenders, fringe businesses that provide small short-term, but high-cost loans. We link the organizational dynamics of these businesses to two trends in consumer lending in the United States: the continuing consolidation of mainstream financial institutions; and the expansion of such institutions in the provision of financial services regarded as similar to payday loans. We explain the coexistence in mature industries of large-scale organizations in the market center and smaller specialists in the periphery by testing and extending the organizational model of resource partitioning. Our focus is on two under-examined aspects of the model: the dynamic underlying the partitioning process, and the conditions under which the market remains partitioned. The empirical analysis covers payday lenders, banks, and credit unions operating in Wisconsin between 1994 and 2008.

“Product Development Partnerships for Neglected Diseases: Exploring a New Model of Pharmaceutical R&D” (co-authors Viviana Muñoz, Dominique Foray, and Patrick Gaulé). *Science and Public Policy*, August 24 1-24 (2014)

Reliance on market forces can lead to underinvestment in social welfare enhancing innovation. The lack of new medical products in the area of neglected diseases is a case in point. R&D for neglected diseases has increased with new funding and collaborations taking place mainly through product development partnerships (PDPs). PDPs are self-governing, private non-profit R&D organizations. In contrast to push and pull instruments designed to address private-sector R&D underinvestment, PDPs have emerged voluntarily to address this public health challenge. In this study we examine how non-profit R&D collaboration for neglected diseases takes place through PDPs. We find that PDPs act as ‘system integrators’ that leverage the resources and capabilities of a network of public, philanthropic and private-sector partners. This paper contributes to an understanding of R&D in a non-profit context and highlights the importance of collaboration and nonmarket institutions for promoting innovation where market failures occur.