

Differential Strengths and the Pursuit of Social Utility: A Comparative Analysis of Profit-Motivated, Charitable and Public Ownership Structures

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ABSTRACT

This study analyses how public, charitable and private (profit-motivated) ownership structures differ in their capacity to generate social utility. Rooted in John Stuart Mill's conception of utility, it develops an interdisciplinary theoretical framework for evaluating ownership structures and their capacity to generate social utility based on three parameters: their assignment of value to various types of utility sources, the temporality of their decision-making approach and their capacity for innovation and risk-taking. Through a thematic critical review of literature across disciplines, the study posits that ownership structures embed differing incentive systems that shape organisational decision-making and the forms of social utility they have the greatest propensity to generate.

The paper's central contribution is its demonstration of the differential strengths of these ownership models in increasing social utility across all three parameters; public ownership assigns value to the broadest range of social goods (sources of utility), charitable ownership employs the most long-termist decision-making approach and innovation is characterised by comparative strengths distributed between all three ownership models. A secondary contribution is the reframing of debates surrounding the design of institutional structures; rather than asking which ownership model is the best, this paper suggests that policymakers and academics should consider how different ownership structures' strengths should be accounted for in economies to increase social utility. Therefore, the paper advances a model of enhancing social utility rooted in the differential strengths of ownership structures within economies and societies.

Keywords: Ownership structure, social utility, utilitarianism, welfare economics, public ownership, profit motivation, charity governance

INTRODUCTION

John Stuart Mill's theory of utilitarianism posits normative guidelines for evaluating economic systems by arguing that the ideal economic model must increase individual utility for the largest number of people possible (Harris 1998, 220). He further argues that such undertakings must be pursued only through just means that do not themselves diminish utility (Clark & Elliott 2001, 476), and do not induce guilt or

conscience.¹ In this paper, social utility is defined as the welfare and quality of life of people within a society and/or economy. This paper's definition of social utility comprises multiple dimensions of wellbeing, which single-parameter indicators such as GDP growth, average income or child mortality alone cannot depict (Fukuda-Parr 2011, 124). Adopting Mill's normative guidelines on social utility allows critical evaluation of economic theories proposed by welfare economists to identify which economic system is capable of enriching overall social utility.

Comparison between economic systems is necessary because they embody different incentives, capacities and conceptions of value. For instance, market-centric models are generally incentivised to assign greater weight to efficiency and monetary gain (Bhatia et al. 2020, 236), whereas models with heavier government intervention and welfare influence are comparatively freer to pursue broader objectives such as education, equality and health (Mazzucato 2011, 19). Additionally, market-based economic systems suffer from the inadvertent creation of unnecessary tradeoffs between financial value and the wider aim of improving people's lives (Johnson 1986, 75) or cause fundamental inequalities between the impoverished and the wealthy (Johnson 1986, 70) while government-driven models are often overly risk-averse, can stifle innovation and block off access to potential future sources of utility.

The aggregate social utility of such economic systems is a sum of the individual social utility generated by all the institutions present within them (Jones & Felps 2013, 222). These institutions are classified into three categories in this paper based on their ownership structure: private (profit-motivated), public and charitable² (Krlev et al. 2018b, 41). This categorisation is important as ownership structure directly shapes the institution's goals, priorities and operating capacity (Sappington & Stiglitz 1987, 568). As all economic systems have different conceptions of value, they are likely to prioritise different types of institutions (Krlev et al. 2018b, 3). Therefore, to understand which system is best placed to increase social utility, first it is important to assess which type of institutions can most effectively generate social utility. To this end, this paper asks: How do public, charitable and private (profit-motivated) ownership models fare in terms of their potential to enrich social utility?

In order to address this question, this paper will evaluate:

- a) The sources of utility to which these ownership models assign value,
- b) The temporality of their approach, as shown through the relative weight they place on short-term and long-term outcomes when making decisions, and
- c) Their ability to innovate and take risks.

This paper argues that, in their ideal forms, while public institutions have the broadest mandate of value assignment and charitable firms have the longest-term approach, each ownership model is identified as

¹ Guilt and conscience fall under Mill's conception of pain, and thus exert negative weight upon the evaluation of different outcomes and their resultant utility (Lyons 1976, 102-3)

² An organisation of charitable ownership is defined as one that is barred from distributing its net earnings. (Hansmann 1980, 838).

having unique strengths with regards to innovation and risk-taking. Thus, an economic system organised around each ownership model's differential strengths offers a much greater capacity for the pursuit of social utility. However, it is also important to note that the potential of all three ownership styles is guarded by the efficiency of governance structures (including policy-level accountability mechanisms), the institutional quality of the enterprises themselves, and the context of societal trust levels as valuable, non-tangible social capital.

Although significant literature examines the comparative merits and disadvantages of public, private and nonprofit organisations, such literature tends to approach these structures through specific organisational outcomes, institutional arrangements or incentive problems - rather than through a common, multidimensional conception of social utility. Research around state and private ownership has prominently evaluated tradeoffs between public objectives and private incentives for cost reduction and innovation (Sappington & Stiglitz 1987; Shleifer 1998) and nonprofit scholarship examines how nondistribution constraints and mission-oriented governance shape institutional decision-making (Hansmann 1980; Ebrahim et al. 2014). Academia has also assessed the extent to which profit-motivated incentive structures translate to social utility under a utilitarian standard (Jones & Felps 2013) while more recent scholarship explores hybrid organisations and cross-sector collaboration as paths to combine differing institutional incentives to create social value (Doherty et al. 2014, Quélin et al. 2017). However, comparatively less attention seems to have been given to systematically identifying the specific dimensions along which ownership structures may have comparative advantages in the generation of social utility and to evaluating these strengths against a common normative concept of utility. In particular, literature has yet to integrate questions of which sources of utility organisations are well-suited to acknowledge, the temporal horizons of their cost-benefit evaluations, and their varying capacities and incentives to take on risk and innovation. This paper addresses those gaps, bringing these parameters into a single theoretical framework rooted in Millian conceptions of social utility - allowing ownership structures to be compared not in accordance with a single indicator of performance, but through the lens of the diverse incentive structures through which they contribute to social utility.

METHODS

Theoretical Framework

This study employs a comparative theoretical framework to evaluate the capacities inherent to different ownership structures rather than their actual performance in real-world contexts. This is because this study's objective is not to determine whether organisations empirically enhance social utility but rather to examine their potential to do so as determined by the institutional incentive structures inherent to profit-motivated, charitable and public ownership³ structure.

³ An organisation of public ownership is defined as an institutional unit (separable from its owners) - which is nonetheless subject to decisive influence by the components of a general government (Lienert 2009, 4, 9-10).

This approach was adopted because the empirical performance of organisations is consistently determined by various contextual variables such as consumer and investor confidence, access to foreign markets and resource constraints, all of which influence organisational decision-making. Additionally, many organisations cannot be purely categorised under one ownership model. For example, some governments heavily privatise services and few charities have been observed to establish a profit-oriented model as an adjacent arm to improve visibility and tackle resource constraints. As including such organisations within the scope of the study would have complicated attempts to identify the incentive structures inherent to ownership models, they were excluded from the analysis. Thus, a theoretical approach is required to isolate the influence of ownership structures from these contextual factors when examining social utility generation.

This study is explicitly interdisciplinary, adopting a theory-building approach combining philosophy and economics. While the economic theory provides the descriptive and analytical tools required to explain the influence of ownership structures on incentives, organisational decision-making and resource allocation, the philosophical foundation is required to posit a normative framework that is critical for determining how institutional structures perform across metrics (from innovation, long-termism to assignment of value) for which economic theory lacks a common evaluative currency in relation to their impact on a common ground: social utility generation.

It is important to note that this paper employs a zero discount rate - as remoteness of an event in time should not diminish the moral value of its associated benefits or costs. Common justifications for a positive discount rate, such as probability and excessive sacrifice, should be addressed independently of temporal discounting - via a probability-based discount rate and a moral standard for the limits of sacrifice (at any point in time) respectively (Cowen & Parfit 1992, 147-50). Arguments against a zero discount rate also emerge about benefits creating better-off successors and a zero discount rate generating opportunity costs - which depend on the successors being better-off and the capability to reinvest the benefits in question (Cowen & Parfit 1992, 149-152). As such, a zero discount rate presents a more consistent mechanism of weighing across the temporality of effects. In the context of this parameter, the zero discount rate emerges by way of an equal consideration of future and present benefits and costs.

This paper also refrains from positing a specific weighing for the parameters for two reasons. The first of these is the paper's focus on differential strengths and social utility that is theoretically aggregated to the institutional level - rather than quantitative, empirical aggregation towards the end of utility maximisation. The second and more important reason, however, is that the weighing of the three parameters would differ wildly between economies - especially between the relative placing of Parameters 2 and 3 - based on ambient levels of societal trust and social capital, as well as the institutional quality of individual enterprises and the efficiency of governance mechanisms.

Utilitarian Framework

This study employs utilitarianism as its normative framework of choice due to its compatibility with concepts characteristic of welfare economics. The link between these two fields is evident in their broadly

analogous use of concepts such as utility, welfare, cost-benefit analysis and aggregations of individuals' wellbeing.

In specific, this study employs a Utilitarian framework drawing on the account of wellbeing proposed by John Stuart Mill - selected for its broader multidimensional concept of wellbeing, particularly its recognition of qualitative distinctions between higher and lower pleasures. This provides a base for understanding the differing sources of utility addressed in this paper - which is important when comparing ownership structures with inherently different goals, which may not all be encapsulated by narrower frameworks.

Possible alternatives - namely, Bentham's felicific calculus and the utility-aggregating mechanism of welfare economics' Social Welfare Function - were considered to form the paper's core framework. However, they were rejected as the focus of this paper is not on quantitative summing or maximisation - but on the qualitative, aggregative evaluation proposed by Mill's definition of social utility, used to identify comparative strengths. Alternative frameworks native to welfare economics such as Sen's framework of capabilities were also considered. However, they were not adopted as their qualitative aggregation to institutions, economies and larger collectives is less straightforward. This is because of the deliberate incommensurability of Sen's capabilities - which are difficult to assign relative weight (even qualitatively) for the same reason. For example, there is no basis for comparison between capabilities in healthcare obtainment and those of political freedom, even when setting aside quantitative aggregation - hindering the identification of ownership models' differential strengths.

Additionally, this paper places weight on the distribution of sources and/or intermediaries of utility - something that traditional Millian utility frameworks may not consider - on the principle of diminishing marginal utility of income. This principle states that as the abundance of income held by an entity increases, each additional unit of income provides less and less utility (Pigou 1932, 57). Therefore, the inverse can also be said to be true - that is, that a single unit of income generates comparatively greater utility in the hands of someone with less income overall (Pigou 1932, 57).

Research Approach

A thematic literature review is used to assess how ownership structures influence the generation of social utility. Sources include peer-reviewed academic literature to provide theoretical insights as well as organisational homepages, reports, databases and peer-reviewed case studies for empirical illustrations and statistical evidence.

An initial search identified approximately 120 sources. Sources were eliminated when they extensively applied concepts outside of the scope of the paper to support assessments of firms' behaviour, such as literature based around individual freedoms as the principal metric for the evaluation of institutions' behaviour. Sources were also eliminated if they applied relevant concepts in contexts irrelevant to the paper such as sources applying utilitarianism to economic decisions at the individual level. Sources not in English were also eliminated. The application of this selection criteria continued until the literature

repeatedly produced outcomes under similar themes, suggesting that sufficient thematic saturation had been reached. This process resulted in a final selection of 47 sources.

Literature searches were conducted on Google Scholar and JStor, with search terms comprising combinations of keywords such as *social innovation*, *John Stuart Mill utilitarianism*, *charity governance*, *profit motive*, *ownership structure*, *long-termism*, *resource allocation*, *shareholder wealth maximisation*, *social utility* and *welfare economics*.

Literature Selection and Analysis

Three inclusion criteria streamlined source selection: 1) the direct consideration of ownership structures, incentive structures and/or behavioural patterns linked to ownership structure, 2) sources whose concepts were applied at the institutional and broader societal level and 3) the source being available in English.

Following the selection of sources, they were systematically coded according to recurring themes within the literature, including profit motivation, organisational behaviour, ownership models, innovation constraints, organisational decision-making and long-termism in economic decision-making. A thematic analysis was then carried out, which revealed an emphasis on the behaviour of authorities or managerial agents due to inherent incentive structures as a driver of social utility generation and this was later added back as one of the themes in the systematic coding.

The key themes of the literature eventually condensed into three broad characteristics inherent of ownership structures (or their resultant incentive/behavioural structures): their assignment of value and decision weight, their accounting for long-term and short-term gains and their ability to innovate and develop. This gave rise to the three parameters within which the performance of profit-motivated, charitable and public ownership models was evaluated.

ANALYSIS

Parameter 1: Assignment of Value

The first parameter that this paper explores is which sources of utility different ownership models assign value to, and which they do not. This is an important parameter for assessing each model's capacity to increase social utility as these conceptions of value actively influence which sources of utility are pursued, and which potential sources of utility are deprioritised. For the purposes of this section, 'assigning value' refers to an ownership structure recognising a source of utility as important enough to allocate scarce resources towards its pursuit.

Profit-Motivated Ownership

The hallmark of profit-motivated behaviour is the systematic prioritisation of private benefits and costs

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over broader societal ends (Jones & Felps 2013, 209). This phenomenon arises from the inherent structure of profit-seeking; firms aim to minimise internal costs and maximise revenue, often leading them to disregard external benefits and costs incurred by third parties despite legal and social restraints designed to mitigate this neglect (Nelson & Winter 1982, 358). Consequently, such firms' resource allocation and decision making deviates from the maximisation of social welfare (Bhatia et al. 2020, 286). This profit-seeking behaviour is further enabled by two fundamental constraints faced by for-profits: An incentive-based restriction determining which sources of utility these firms assign value to, and capacity-oriented limit around the range of utility sources that can realistically be pursued.

Firstly, the incentive-based constraint can be explained through the Agency Theory, which stipulates that agents should work in alignment with their principal, keystone stakeholders (Nordberg 2007, 48). In this context, this translates to an objective of maximising shareholder utility (Lipton 2020) as outlined by the Friedman Doctrine⁴ (Friedman 1970). As a result, for-profits are incentivised to increase the wealth of investors and shareholders as well as to demonstrate consistent revenue and profit growth. This results in firms adopting an objective decision-making process focused on shareholder value maximisation (Friedman 1970). Sources of utility that cannot be assigned financial value are therefore more likely to be assigned less value regardless of the wider social good they generate.

This constraint persists regardless of market structure (Baumol 2002, 3). As compared to for-profits operating in a competitive market, it is important to note that while monopoly or oligopolistic firms have increased financial capacity (Schumpeter 1942, 189) and price-setting abilities (Baumol 2002, 4), it cannot be assumed with certainty that they will naturally broaden their assignment of value. Greater financial capacity stands separate from incentives, leaving this constraint unchanged. This reiterates the incentive pillar that discourages the adoption of broader conceptions of value, even if a firm's capacity allows for it.

The second limitation is in terms of capacity. Given the finite resources available to these firms, they are forced to prioritise between competing and mutually exclusive allocations of factors of production (Bhatia et al. 2020, 236). Therefore, when they have to prioritise between different sources of utility, they assign more value to sources of utility that can generate financial returns than to those that cannot (Bhatia et al. 2020, 237). Market competition reinforces this prioritisation, pushing firms to pursue profitable resource allocations in order to survive in saturated markets and reach a viable consumer base (Baumol 2002, 3). This forms the capacity limit that stops for-profits from assigning value to non-financial sources of utility even if the incentive would exist.

It is essential to distinguish between the different types of goods that may go underprovided or underprotected by the market mechanism as a result of these capacity and incentive-based restraints. Public goods are both non-excludable and non-rivalrous (i.e. the consumption of a certain amount of a public good does not reduce the amount available for consumption by others) - giving rise to the free

⁴ The Friedman Doctrine states that corporate employees are hired as agents by key shareholders in private firms - and thus, their function is to maximise the wealth of those shareholders as an absolute priority (Friedman 1970).

rider problem (Cabral et al. 2019, 467). Meanwhile, common-pool resources share with public goods their non-excludability, but are also rivalrous in nature - exposing them to depletion and over-exploitation (Ostrom 2010, 645). On the other hand, merit goods - goods underprovided relative to their broader social benefit - are not defined by rivalry or excludability at all (Bhatia et al. 2020, 237). This distinction is important as each of these categories demand different governance mechanisms due to them generating different institutional issues.

A prime example of this can be found in the modern air pollution crisis - with the WHO estimating 2.1 billion lives at serious risk, caused by dangerous levels of air pollution (World Health Organisation, 2024). Clean air when used for industrial purposes has properties of non-excludability and rivalry which classify it as a common-pool resource - in that its depletion (via pollution) reduces the clean air available to others. As such, it is impossible for a profit-seeking firm to put a price on clean air and gain any financial value from it. Therefore, even though clean air is well-known as an invaluable source of utility in terms of ameliorating societies' baseline health standards and preserving biodiversity, it is one that for-profits are less likely to pursue (Jones & Felps 2013, 216-18). It is only when governments create additional incentive structures like carbon taxes or tradeable carbon permits that such for-profits begin to internalise the value and utility generated by non-excludable goods like clean air (Jones & Felps 2013, 217). This highlights the neglect demonstrated by for-profit entities towards the provision of non-excludable resources without the intervention and creation of alternate incentive structures by third parties like governments (Musgrave 1959, 13-16).

Similarly, profit motivation often leads firms to underprovide merit goods without government-driven incentives (Bhatia et al. 2020, 237). Despite their tremendous social utility, their underconsumed and under-demanded nature limits their profitability, weakening firms' incentives to provide them at the expense of more profitable uses of their finite resources (Bhatia et al. 2020, 237). A clear example can be observed in the treatment of the utility generated by homemakers and the larger care economy. If these services were financially compensated, they would be worth approximately 9% of the current world GDP (Langou & Rodriguez Franco 2024). However, as they don't currently offer any direct financial value, they remain neglected by for-profits. This stands despite the dependency of capitalist economies on care labour (Harcourt 2023, 153). This means that firms following such an ownership structure are inclined to prioritise the pursuit of sources of utility that have financial value given the limited resources they have and intense cost pressure they experience.

Charitable Ownership

Charitably motivated enterprises are often intrinsically guided by societal welfare over profit (Krlev et al. 2018b, 17). By consequence, they internalise a wider range of consequences, particularly where profit incentives fail. This is especially true for market-underprovided merit goods like healthcare or education, whose social benefits far outweigh private returns (Krlev et al. 2018b, 3). Similarly to profit-motivated enterprises, charitable ownership models are shaped by both incentive-based and capacity-based factors. However, both of these factors generally promote broader conceptions of value for charities than for-profit firms.

Firstly, in terms of the incentive-based factor, as charities are not organised for the purpose of profit maximisation (Krlev et al. 2018b, 17), they are not required to exclusively assign value to sources of utility that yield financial returns. In lieu of this, they can be incentivised to assign value to a broader range of commodities, including those such as common-access resources (like clean air) and merit goods (like healthcare and early education in developing countries) which aligns with their goals as an entity dedicated to providing and monitoring such commodities.

This broader, non-financial conception of value is amplified due to the motivations of volunteers. Unlike consumers or for-profit employees, volunteering is often neither principally self-interested nor mandatory (in the way that tax-paying is) (Haivas et al. 2013, 1869). Consequently, charities are motivated to compete and frame themselves as the best opportunity for volunteers who seek to pursue active, impact-forward citizenship (Krlev et al. 2018b, 13). In fact, this incentive structure, along with charities' increasing economic and political significance, justifies charitable ownership being treated as a separate ownership model in this paper.

Simultaneously, these charitable entities also face a corresponding capacity limitation. While they assign value broadly, they often elect to focus on an area of closely related issues as opposed to the economy at large. Therefore, they lack the breadth of oversight possessed by a government or public entity. This is because charitable conceptions of value are inherently subjective as they are often grounded in the opinions of the charity's founders and key patrons, who can have a bias towards particular issues in their community (Ebrahim et al. 2014, 84-85). This means that charitable entities can have limited capacity to increase society-wide utility across multiple issues and may even struggle to prioritise between different sources of social utility in an economy.

Additionally, from a practical position, a core feature of charitable ownership structures is dependency on continued donor support (Ilyas et al. 2020, Ebrahim et al. 2014, 83). This is because charities have limited resources due to the less reliable nature of donations as well as internal cost pressures. Further, they also cannot acquire capital and attract talent in the way that for-profit firms do due to their limited capacity to offer competitive compensation and/or growth opportunities (Ilyas et al. 2020). This means that such organisations depend significantly upon the trust and involvement of patrons and volunteers (Ilyas et al. 2020; Arvidson & Lyon 2014, 872). In order to generate evidence for others to join their cause, charities are incentivised to redirect their limited donations and resources towards efforts that help

the most intensely vulnerable and not necessarily the largest group of people (Arvidson & Lyon 2014, 870). This propels them to prioritise activities that demonstrate the greatest impact per dollar spent - allowing them to motivate their staff, build ethos and attract donors to their cause (Arvidson & Lyon 2014, 872).

Public Ownership

Public entities assign value to the widest variety of sources of utility out of the three ownership models (Sappington & Stiglitz 1987, 569). This is because the holistic duty of care of governments allows them to explicitly integrate equity-based, non-financial and distributional objectives into their welfare calculus - providing a wider scope of value than for-profits (Sappington & Stiglitz 1987, 569-70). While such distributive and equity-based objectives may traditionally fall outside of the aggregative scope of a traditional Utilitarian calculus, as this paper acknowledges the principle of diminishing marginal utility of income (Pigou 1932, 57), it is not indifferent to how utility is distributed across populations.

The incentive-based advantage of public ownership stems from the fact that the public sector does not generally aim solely for profit maximisation (like for-profits) or towards mission-specific, single-issue targets (like charities) (Mazzucato 2011, 19-20; Sappington & Stiglitz 1987, 577-79). Rather, the government is incentivised by its mandate to consider the interests of all citizens, leading to a broader conception of value than other ownership models (Cabral et al 2019, 467-68).

This broader conception of value is reinforced by the greater oversight capacity of public ownership. Governments possess a rational stake in multiple areas of the economy (Bhatia et al. 2020, 20), from food security and healthcare to antitrust policy, leading to increased oversight and an ability to prioritise between different issues and more effectively allocate resources towards optimum social utility (Bhatia et al. 2020, 10). Additionally, funding for public enterprises is communal in origin, as taxes are paid by all working citizens (Mazzucato 2011, 60). This distinguishes the public sector from charities, who are dependent on funding from patrons, allowing the former to access a more stable base of resources (Krlev et al. 2018b, 18). This is also what allows such ownership structures to assign value to the broadest variety of utility sources.

Returning to the illustration of the care economy, the utility generated by this area of society is assigned more value by public ownership models than by for-profits because of the former's capacity to recognise the non-monetary benefit it provides. In fact, some even contend that "care labour" is a public good whose beneficiaries are "free riders" (Krlev et al. 2018b, 9). This is because the primary objective of public institutions is not to maximise profits, but to fulfil the intrinsic duty of care that they have to the people they serve (Nelson & Winter 1982, 269). This means that public ownership models are driven to consider more holistic, broader conceptions of value in order to improve sources of societal utility.

This is not to suggest that public structures are without fault; corporate lobbying and other forms of political influence may lead certain issues to be prioritised at the expense of others (Sappington & Stiglitz 1987, 578). Nevertheless, democratic accountability, election incentives and institutional checks

can constrain these influences and prevent narrow interests from being overemphasised (Sappington & Stiglitz 1987, 578-79). While election incentives can broaden the range of interests represented, it can also simultaneously shorten the time horizon of their pursuit as political entities might face pressures to demonstrate tangible effects within their term in the hopes of being reelected. The relative strength of these two forces depends largely on the type of governance structure in place. For example, a cross-country study demonstrated that fiscal budget deficits increase by 22% during election years due to additional spending on highly visible public goods (Shi & Svensson 2006, 1372). This creates the foundation for the public sector function to generate the highest social utility out of the three ownership models within this criterion.

Additionally, counterliterature challenges the assumption that a broader assignment of value inherently generates stronger incentives to realise it. Public managers do not capture the returns from quality-improving or cost-reducing innovation and investment, to the same extent as private owners. This may reduce incentives for public managers to convert recognised sources of utility into institutional action and execution. This creates a notable tension between the breadth of objectives and the strength of incentives to realise them: public ownership may simultaneously take on a wider assignment of value, while providing weaker incentives to pursue this broader mandate efficiently. Rather than resolving this tension in favour of - or against - public ownership, Shleifer's work suggests that the advantage of public ownership in generating social utility is contingent partly on whether its broad mandate can be effectively pursued through the incentive structures it creates. The breadth of the mandate itself - that is, the focus of this parameter - therefore remains significant.

Ultimately, these broad conceptions of value are what allow public ownership to see and pursue the utility generated by public (nonexcludable and nonrivalrous) goods. While the argument can be made that the provision of these goods can be contracted out to private firms (such as the contracting out of security and logistical services to private entities), public value structures usually facilitate this provision by intervening (Sappington & Stiglitz 1987, 568-69), creating incentive structures that would not exist in a free market, where this absence would cause market failure.

However, it must be noted that while public ownership has important capacities in addressing market failure caused by the neglect of underconsumed and/or non-excludable goods, such market failure can be addressed by means other than direct state intervention. For example, under appropriate conditions, communities can develop collective governance standards to monitor and sustainably use common-pool resources outside of the dichotomy between market and state (Ostrom 2010, 650-51). This suggests that the public sector's role can extend to include the establishment and support of such co-management practices. However, as this falls outside the scope of this paper, it will not be evaluated as a part of the framework.

Evaluation

In conclusion, public ownership is best oriented towards assigning value to varied sources of utility since they lack the profit motive that forces private enterprises to prioritise sources of utility with

associated financial value, placing them above private entities. They also assign value more broadly than charities via their broad mandate and duty to help people collectively survive and grow. This social contract leads to foundations of value that draw from the interests of all citizens, thus taking into account sources of utility across many issues in an economy. This stands separate from charities, whose conceptions of value draw from their founders, patrons and volunteers, upon whom they are dependent. This means that there is comparatively more space for public ownership to consider multiple sources of value when making decisions. However, it must be noted that despite public value assignment's comparatively broader nature, the issue-specific value assignment of charitable ownership can still prove incredibly beneficial in 'plugging gaps' - that is, assigning value to issue-specific sources of utility that may go unnoticed by public ownership due to its large mandate. Literature from the public choice tradition posits a counterargument, demonstrating the non-benevolent nature of bureaucrats and regulators - and thus, the vulnerability of public processes to regulatory capture (Stigler 1971, 5-6) and rent-seeking (Buchanan & Tullock 1999, 26). This challenges the assumption of public ownership translating its broad mandate into broad social-utility generation - the former of which is valuable only to the extent wherein institutions create incentives to realise it.

This qualifies but does not eliminate the argument of Parameter 1. Public choice theory identifies differences between the breadth of objective functions in theory and their realisation in practice: public ownership may have greater potential to incorporate and recognise diverse sources of social utility, while institutional incentives of public managers may restrain the extent to which this value assignment can reach fruition (Niskanen 1968, 298-303). Parameter 1 concerns itself with the former - so its advantage is one of potential and assignment of value rather than execution of utility generation.

Additionally, the identified problems are not inherently unavoidable across contexts; the extent of these issues in bureaucratic incentives is dependent partially on institutional design - including accountability, competition and oversight within the organisation (Halonen-Akatwijuka & Propper 2008, 910-12). Public-choice theory thus highlights realisation as a separate constraint rather than showing that broad, public-interest-facing objectives are structurally inaccessible.

The distinction between theoretical value assignment and practical realisation remains important from the utilitarian point of view, because alternative ownership forms also face similar structural constraints in execution: for-profits are institutionally oriented towards financial returns - leading to the neglect of externalities, public goods (Cabral et al. 2019, 467-68) and common-pool resources (Ostrom 2010, 650); charities' value assignment is characterised by mission, donor and patron constraints. Therefore, public ownership can maintain a broader set of structurally available utility sources, even if institutional failures restrain their realisation. Public choice theory therefore weakens the link between public ownership's broader mandate and the superior generation of social utility - but does not negate the broad mandate in question.

Shleifer further counters the identification of public value assignment with public ownership itself. In instances where governments can specify and monitor the execution of their broad mandate, the contracting-out of services to private providers - or their regulation - may preserve the (greater) private

incentives for cost-reducing innovation (Shleifer 1998, 136-37), while channelling resources towards publicly valued objectives. Public ownership would, therefore, have no automatic advantage in these situations merely because the state recognises a broader assignment of value. However, in situations where desirable objectives are difficult to specify or contract for - such as the very situations discussed above - the distinctive value of public ownership is made more apparent (Shleifer 1998, 137). As such assignments of value must be integrated into the organisation's own decision making rather than extrapolated to private firms. The pertinent difference is therefore not just between public and private provision but between objectives that can be externally specified and contracted-out, and those whose value recognition depends on internalisation within public decision-making.

This parameter therefore evaluates breadth of value assignment as the comparative strength of public entities rather than establishing public ownership as the unique effective mechanism for delivering upon this assignment of value. Analysis of common-pool resources distinguishes between the recognition of a social objective and the institutional arrangement surrounding its pursuit; some resources may be effectively governed through community-based or polycentric ownership arrangements (Ostrom 2010, 650).

Parameter 2: Temporality of Decision-Making Approach

The second parameter explored by this paper focuses on the differences between the temporality of approach practiced by different ownership structures in terms of the relative weight they place on short-term versus long-term outcomes. This is an essential parameter to analyse because long-term objectives must be prioritised equally to short-term ones in order to enrich social utility. This equal prioritisation is necessary because Mill's maxim of increasing utility for the highest number of people applies not only to current generations, but future generations as well. In this section, 'temporality of approach' refers to the relative weight placed by an ownership structure upon short-term versus long-term utility when making decisions under institutional constraints. Like the first parameter, this temporal orientation is dependent on the institutional incentives embedded within the ownership structures.

Profit-Motivated Ownership

For-profits are generally incentivised to prioritise outcomes that improve their short-term financial performance, while investments whose returns are primarily long-term are relatively deprioritised. The profit motive engenders the active pursuit of static cost efficiency (Polanyi 2001, 136-9). By design, profit-seeking firms strive to lower production costs and maximise output per unit of input (Mankiw 2020, 19-22), aiming to minimise costs and maximise revenues to inflate profit margins. This phenomenon is rooted in the need to stay competitive in short-termist markets (Jones & Felps 2013, 218). The Friedman Doctrine's shareholder-prioritising principles align well with this approach to business by ensuring short-term profit increases via rapid responsiveness. However, this often undermines long-term planning, since prioritising quarterly returns pulls resources away from strategic investment and disincentivises long-term investments, especially those that may produce low private but high social returns (Mazzucato 2011, 91). Such trade-offs reflect biases toward immediacy even when delayed

investments might yield broader, longer-term utility (Jones & Felps 2013, 218). Consequently, ownership structures centred around the profit motive exhibit inherent biases towards securing present utility over future utility in decision-making.

Such focus on static efficiency is exemplified by the fast fashion industry, wherein companies like Zara adapt instantly (Aftab et al. 2018, 218) to trends using features such as vertically integrated supply chains. This agility provides a competitive edge. However, the overproduction of single-use products in the pursuit of profit generates millions of kilograms of textile waste annually (UNEP 2025). This textbook example of market failure demonstrates third-party environmental costs being excluded from pricing and product durability design. This demonstrates the difficulty of reconciling static efficiency effectively with broader social outcomes under profit-informed incentives.

Charitable Ownership

Charitable organisations have a structural propensity to be driven by long-term objectives as opposed to short-term goals (Krlev et al. 2018b, 23). This is because the projects they undertake have to strategically align with their core mission from a legal and strategic perspective (Cabral et al. 2019, 468-9). As charities face the nondistribution constraint⁵, they do not need to distribute profits among shareholders, managers or employees which reduces the focus on profit generation as a motivating factor for volunteers, patrons and staff (Hansmann 1980, 838; Ebrahim et al. 2014, 83). Thus, charities are better placed to pursue incremental change over a long period, which aligns with the nature of their work (Krlev et al. 2018b, 19). As a result, managers in such organisations often take action analogous to those recommended by Stewardship Theory and work to be seen as the principal trustees of the organisation (Nordberg 2007, 14; Jones & Felps 2013, 207-08), motivated not by narrow financial objectives but rather by the fulfilment of a critical need in society.

The organization's formal purpose (which it must remain loyal to) is its core mission, embedded in its legal charter and its organisational identity (Li & Zhang 2020; Krlev et al. 2018b, 13). This mission is often not a short term objective but a systemic change that happens across generations (Krlev et al. 2018b, xvii-viii), thus indicating that charitable institutions are generally predisposed to take both present and future generations into account.

Although charities compete amongst each other for grants and funding - due to external (noninherent) increases in resource competition, charitable ownership itself is not incentivised as a for-profit to allot as many resources to competition with other entities within the same field of work - since their goals are often not to be the only charity in their space but to enable maximum impact (Krlev et al. 2018, 18). In fact, the presence of other charities makes this easier by enabling collaboration and resource sharing across many organisations (Krlev et al. 2018c, 276). This non-competitive approach stems

⁵ The nondistribution constraint, as defined by Hansmann (1980), applies to charities as a subset of nonprofits; this is clarified through his definition of non-profit-distributing organisations, which matches that of a charity (Hansmann 1980, 838).

from the fact that they lack shareholder pressure to achieve more than other charities and generate financial returns (Hansmann 1980, 838). Therefore, they have more of an incentive than for-profits to take into account longer time horizons.

The practice of accounting for future generations is further amplified by charities' strict approach of ensuring that their actions are aligned with the impact they wish to produce, per their core missions. In fact, some charities - such as the CARICOM Reparations Commission - even place repairing intergenerational, harmful cycles of disadvantage at the centre of their core mission, taking into account the effects of intergenerationally transmitted harms on present generations (CARICOM, 2014). This illustrates the distinction between these charities' approach and others which would disregard present or future harms rooted in past causes, or utility to be experienced by future generations.

Public Ownership

Public entities can pursue differing objectives depending on the prevalent political ideologies, dominating governance structures and checks/balances in place. In socialist countries, public entities would be viewed as instruments of social development (Bhatia et al. 2020, 237) while countries that host free markets would expect public entities to pursue economic objectives similar to private for-profit counterparts (Bhatia et al. 2020, 236). Either way, public entities are only able to pursue these goals at a longer timescale if there are strict governance mechanisms holding them accountable, for otherwise they can run into the challenge of being driven by short-term partisan political goals of those in power (Schumpeter 1942, 288-89). This is exemplified by the well-evidenced link between proximity to election periods and increases in fiscal budget deficits (Shi & Svensson 2006, 1372).

It is important to note that even though such entities are driven by market factors and thus might prioritise some short term goals to remain sustainable, their principal mandate should be to increase public welfare (Sappington & Stiglitz 1987, 574). This requires them to deprioritise static cost efficiency on some occasions, since increasing public welfare is an inherently long-term objective (Schumpeter 1942, 195-96). In practice, public entities are generally established in sectors where public access to a product is necessary, such as telecommunications or energy, and thus, a natural monopoly is required (Bhatia et al. 2020, 182) which is not motivated by short-termist profit goals. Further, public entities may employ some version of shareholder wealth maximisation due to budget constraints - but the key difference from for-profit entities is that public entities finance their activities from tax revenues and are backed by state guarantees, thereby making them accountable to tax paying citizens (Krlev et al. 2018b, 9). This distinction is what enforces public entities' mandate on improving public access to critical services by incorporating their obligations to all citizens directly into their incentive structure (Sappington & Stiglitz 1987, 575). The resultant transparency obligations of public-owned enterprises to citizens amplify this feedback loop by implementing long-term, continuous public accountability and encouraging social responsibility (Sappington & Stiglitz 1987, 575; Krlev et al. 2018b, 9). This often results in more prudent resource usage plans and longer-lasting products.

Evaluation

In conclusion, while utilitarian evaluation on the metric of durability of benefit weighs public entities' social efficiency over profit-motivated static efficiency, it also puts charities above both other ownership structures. This is because of their inherent, long-termist incentives and lack of competitive/market pressures that enables them to prioritise future objectives over short-term ones. Additionally, governments' inbuilt short-termism (by way of election incentives) limits the extent to which they are motivated to pursue long-term goals.

Parameter 3: Innovation and Risk-Taking

The third parameter analysed in this paper explores the institutional incentives and capacities for driving different types of innovation under the three ownership models. This is important from the lens of social utility because the propensity for innovation (and the type of innovation achieved) defines how well ownership structures are able to push economies to access new, untapped sources of value and utility in the future.

Profit-Motivated Ownership

Profit-motivated entities are often more directly responsive to market competition than public or charitable ownership models as they continuously face competition from other firms, threatening their growth and profits (Schumpeter 1942, 73-74). This competition, rather than stemming entirely from price wars, is often rooted in new commodities, supply chains or even organisational models that provide firms with a competitive edge over others in the market (Schumpeter 1942, 84). The variable nature of this type of competition can even threaten the firm's survival in the market (Nelson & Winter 1982, 9-11). Therefore, innovation is continuously pursued by these companies simply for the reason of assuring their survival (Baumol 2002, 3; Schumpeter 1942, 32).

There is, however, another reason for this consistent pursuit of innovation: exploration-driven successes allow firms to establish their own market niche, benefit from monopoly rents (as well as other benefits, such as increased price-setting capabilities) and consequently increase their profit margins (Nelson & Winter 1982, 308). However, the monopoly rents enjoyed by current innovators act as incentives for other companies to innovate within a similar niche, neutralising any monopoly advantages in the long run (Nelson & Winter 1982, 267). These short bursts of temporarily increased profit margins are also what justifies repeat investment into uncharted innovation by firms (Kirzner 1973, 206, 222). Failure in innovation is also often anticipated, especially in industries like biotech, AI and software (Mazzucato 2011, 50), because failing innovations are compensated for by even a few successes (Kirzner 1973, 224-25). This gives for-profits a high risk appetite and allows for necessary explorations into new sources of utility (such as new medicines or technology) to persist despite initial failures.

The risk-bearing capacity of for-profits is also high due to private ownership having the unique ability to rapidly mobilise capital towards higher-risk innovation by distributing financial risk amongst investors.

These risks are, however, mitigated in the modern market system, wherein innovation is often “routinised” by large corporations into a predictable, systematic process to maximise returns on research and development investment (Baumol 2002, 3-4). While this may create the impression that innovation in the for-profit sector is confined to large firms, smaller and larger firms often specialise in different types of innovation. As per the David-Goliath framework⁶, small firms can strategically exploit blind spots of larger companies to identify unaddressed market niches (Baumol 2002, 16-18)

As such, the high risk appetite and high risk-bearing capacity of for-profit firms means that they have the strongest institutional incentive for continued commercial innovation. However, all of this innovation may not necessarily be geared towards social good as private firms innovate where they can capture value from the monopoly benefits afforded by successful innovation (Mazzucato 2011, 21-22). This makes them likely to underinvest in innovation in areas such as under-demanded merit goods, or nonexcludable public goods (Cabral et al. 2019, 467-68). This leaves incentives for these kinds of innovation underinternalised, thus warranting intervention through frameworks such as patents to strengthen appropriability.

Charitable Ownership

Charities are often structurally positioned to serve areas and social needs that may be overlooked or underaddressed by the market and the state (Krlev et al. 2018b, 17-18). These could look like issues with a small scope of impact, thus limiting the profit they can generate for a private firm, and the priority it receives from the public sector. The reason why charities have a unique advantage in approaching this smaller-scale social innovation is their operation at the grassroots level as well as their specialisation in a certain issue or niche (Krlev et al. 2018b, 22-23). This makes them well-positioned to quickly detect issues and identify where innovation is required. Their capacity comes from their unique ability to “product-bundle”, tying their innovation projects to the promotion of certain social or humanitarian values (Krlev et al. 2018b, 4, 18). This also allows them to attract supporters who will provide long-term support due to these common value frameworks. They are also often incentivised to take on longer-term projects due to the nondistribution constraint which leads them to face less scrutiny from time pressure due to immediate market pressures, or short electoral cycles.

On the other hand, the relatively smaller scale and dependence on donations characteristic of charities’ projects means that they are structurally less able to absorb high risk or failure as well as for-profits or public entities (Krlev et al. 2018b, 10). Their comparative lack of access to centralised infrastructure or market mechanisms also makes it more difficult to diffuse these innovations across large populations, limiting the amount of people these innovations can help, and thus the potential gain in social utility they can elicit (Krlev et al. 2018a, 281).

⁶ The David-Goliath framework is a strategic positioning and business model which positions small firms (the ‘Davids’ in the framework) as the source of revolutionary, breakthrough innovations - while the large firms in the economy (the ‘Goliaths’) specialise in ‘routinised innovation’ which is part of their usual operations to defend against competitors (Baumol 2002).

Public Ownership

Public ownership⁷ has more capacity to invest in projects with extremely uncertain returns, often acting in situations of “Knightian uncertainty”⁸ in industries they deem essential (Mazzucato 2011, 70-71). This can be evidenced by the government involvement in propelling global space exploration via public-owned organisations such as NASA - aiding a project which had uniquely incalculable probabilities of success and rates of return. The research and development that laid the foundation for space exploration was initially undertaken by the State and public institutions before private institutions were able to enter into the market (Mazzucato 2011, 54). This shows how the State often works to absorb this initial risk associated with Knightian uncertainty, before allowing private firms to enter, scale up and diffuse innovations (Mazzucato 2011, 22). In this way, the public sector is often seen as an enabler of wider innovation, creating the initial space and opportunity for feasible innovation by other sectors via initial investments (Figueroa et al. 2018, 168).

Due to their universal welfare mandate, public institutions are also more likely to invest in projects with significant, nonexcludable spillover benefits, such as general-purpose technologies⁹ (‘GPTs’) that benefit the economy in a nonexcludable manner (Mazzucato 2011, 54). This allows more of their innovation to be geared towards the maximisation of social good objectives such as increasing the provision of merit and public goods (Bhatia et al. 2020, 237). Public institutions are also seen as fixing failures in innovation ‘networks’, encouraging innovation in essential sectors (Mazzucato 2011, 91). An example of these ‘network failures’ could be the underinvestment of market capital into the spread of knowledge (due to its partially nonrival nature) which the public sector accounts for via public universities and other such measures (Arrow 1962, 20, Mazzucato 2011, 60). The public sector also has capacities in a third role: the facilitation of collaborative innovation with the private sector, further reinforcing the public sector’s position as multifaceted enablers of innovation (Cabral et al. 2019, 469).

In terms of incentives for undertaking and enabling innovation, the public sector faces immense pressure to provide services efficiently to economies with changing needs, maximising the utility their limited budget can generate (Cabral et al. 2019, 470). This causes incentives for process innovation and optimisation to arise, while political competition makes anti-innovation policies less attractive to incumbent governments (Cabral et al. 2019, 468-69). However, it is important to note that political competition also increases the risk-averse nature of the public sector, leading to more extensive checks into prospective innovation projects. This slows the speed of innovation, potentially delaying or hindering its returns (Schumpeter 1942, 287). Moreover, accountability to taxpayers and/or voters (Krlev et al. 2018b, 9) means that the public sector has incentives to prioritise issues with the greatest voter/lobby backing over those forwarded by smaller groups.

⁷The analysis of public ownership in this parameter examines the effect of publicly owned organisations that are separable from government (Lienert 2009, 5, 9-10), as opposed to direct state intervention.

⁸Situations of “Knightian uncertainty” are situations whose outcome probabilities are unique and incalculable in advance (Mazzucato 2011).

⁹General-purpose technologies (GPTs) are technologies that are innovation-spawning, improve over time and whose use spreads throughout various sectors (Mazzucato 2011).

However, counterliterature identifies an opposing mechanism: public managers capture less innovation-generated returns than private owners, meaning that they may face weaker incentives to promote this innovation at all. This directly challenges the treatment of the state's capacity to bear risk as an unconditional advantage. Arguments supporting this advantage and the aforementioned counterliterature therefore identify different margins along which ownership affects innovation. Public ownership may be more capable of laying down the foundations for first-of-their-kind projects of Knightian uncertainty; private ownership may provide stronger incentives to develop, refine and scale innovation whose returns are capable of capture - echoing the logic of 'routinised innovation' discussed above. Therefore, the comparison is not between absolutely stronger and weaker routes of innovation - but between incentive structures that favour different stages and types of innovation.

Evaluation

In conclusion, it can be seen that there is not one ownership model which is the 'best' at utility-generating innovation. For-profits' competition-derived discipline and risk appetite cause them to be best suited for large volumes of commercial innovation, maximising the volume of innovation (and thus, the chance of success). Charities, on the other hand, act as small-scale innovators, helping solve issues that would otherwise be overlooked by the private and public sector, thus helping those who have no other avenue to innovation-derived utility. Simultaneously, the public sector's welfare mandate and role as an enabler of innovation positions them most ideally for foundational research and the creation of innovation platforms, providing the critical 'first step' required to facilitate further utility-generating innovation.

Shleifer's work on public innovation states that the capacity of public ownership to undertake socially valuable innovation should therefore not be interpreted as a universal advantage; its differential strength lies in pursuing innovations whose social value exceeds the returns it can capture - whereas private ownership's stronger return-capture mechanisms favour innovations with appropriate returns capable of being reinvested. Shleifer's argument therefore strengthens, rather than undermines, the comparative interpretation of this parameter: Ownership structures differ not merely in volume of innovation, but in the types of innovation their incentive mechanisms make relatively appealing.

While the differential strengths of each ownership model in this parameter may suggest collaborative innovation to be the most utility-generating path forward, this paper does not make any evaluative claims about the potential for social utility generation via institutional complementarity.

CONCLUSION

In conclusion, this paper demonstrates that each ownership model has comparative strengths that can work to enrich social utility across all three parameters: public ownership has the broadest assignment of value, charitable ownership is best oriented towards undertaking long-term goals, and each model has differential strengths in its approach to innovation and risk. Ownership structures should thus be understood as one component of a wider web of systems; when supported by strong institutions,

governance processes and social trust, the distinct strengths of different ownership models can enrich social utility.

PARAMETER	PROFIT-MOTIVATED OWNERSHIP	CHARITABLE OWNERSHIP	PUBLIC OWNERSHIP
1. Assignment of Value	Comparatively narrow.	Broader - but bound by the issue of focus of the organisation.	Broadest overall.
2. Temporality of Decision-Making Approach	Shortest time horizon.	Most long-termist orientation.	Conditional time horizon.
PARAMETER	PROFIT-MOTIVATED OWNERSHIP	CHARITABLE OWNERSHIP	PUBLIC OWNERSHIP
3. Innovation and Risk-Taking	Relatively strongest in 'routine' innovation and scaling.	Most capable of grassroots, niche social innovation.	Strongest in foundational, 'Knightian' innovation.

Table 1: A matrix¹⁰ summarising the analysis of the comparative strengths and weaknesses of each ownership model relative to each of the three parameters in this paper.

Underpinning these findings, this paper develops and contributes a theoretical framework for comparing the performance of ownership structures across multiple dimensions of social utility. By integrating Millian philosophy with analytical insights from welfare economics, it demonstrates that it is possible to evaluate institutions with inherently differing objectives under a common framework.

This framework carries significant implications for policymakers by demonstrating that disproportionately privileging one ownership model may hinder the overall capacity of institutions to

¹⁰ This matrix shows differential strengths and not a single aggregate ranking of each ownership structure across the parameters of social utility. Because the parameters are not assigned an ordered weighting, the matrix should not be read as proof that any one ownership structure (or any combination of different structures) absolutely maximises social utility. Rather, it supports the more targeted conclusion that different ownership models are stronger in different dimensions - which can, in turn, motivate the exploration of a hypothesis of complementarity for future research.

generate social utility. This aligns with the Millian premise that utility itself must be understood and pursued multidimensionally. Ultimately, this study's results suggest that the debate around which ownership model is 'best' may itself be misguided; perhaps the more pertinent question to ask would be focused on how to coordinate these three ownership models so that they balance each other's strengths and weaknesses to truly build their potential to generate social utility.

Limitations

This study has several limitations. Firstly, only sources in the English language could be reviewed as a part of the literature review, which may have excluded relevant sources in other languages; this also means that the generalisation of this paper's analysis to non-Anglo-American economies requires additional contextual qualification.

Secondly, the study evaluates the ideal operations of these ownership models against the utility they generate, and not their operations in practice as shaped by external pressures, constraints and incentives. Consequently, factors such as sociopolitical capital and resource availability (which are pervasive influences in empirical firms' decision making) were excluded. The large effect of external, contextual factors also means that the parameters in this paper are not weighted relative to one another for comparison - as their relative importance is likely to differ notably across diverse socioeconomic conditions.

Moreover, the parameters of this paper themselves have not been positioned as exhaustive of the ways in which ownership structures can generate social utility. While this paper identified three key parameters through an analysis of existing literature, other parameters of significance can certainly exist - especially across different socioeconomic contexts; as such, this paper's analysis should not be taken as a complete analysis of ownership models' social utility generation - but rather that within the parameters explored.

Additionally, due to its theoretical framework, this study does not include hybrid, polycentric or community-based organisations that comprise a large part of the current population of institutions. An example of this is the community-based arrangements that may operate outside this paper's tripartite ownership comparison to manage common-pool resources - falling outside the scope of this paper but representing an important extension for future research directions.

Future Directions

Future research should move forward from the theoretical framework of this study towards empirical, contextualised testing. The hypothesis that future research should first aim to empirically test is whether the complementarity and interaction of all three ownership models in an economy maximises social utility generation. This is a particularly promising option for future research given that this study's findings themselves demonstrate that social utility is increased through the differential strengths of these three ownership models. This provides a theoretical basis that may help evaluate complementarity as a prospective underlying mechanism for social utility maximisation in different economic systems.

Additionally, the institutional quality of individual enterprises, the efficiency of governance mechanisms, societal trust and social capital can all work to strengthen or weaken each model's outcomes. Future research could therefore empirically examine how ownership structures function to generate social utility when exposed to these and other external factors, perhaps through an exploration of ownership models' performance in relation to parameters outside the scope of this paper, such as distributive justice, environmental sustainability or efficiency.

Such scholarship may also consider the hybrid ownership models to evaluate, for example, governments that privatise traditionally government-provided services, or charities that adopt ownership models increasingly similar to those of for-profits, in terms of their empirical ability to generate social utility. Such future research would further a systemic understanding of how social utility can be maximised in different economic systems.

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