

Review of Corporate Finance Studies
Call for Proposals on “Corporate Market Power: Drivers and Financial Consequences”

Submission Date: November 30, 2022

OVERVIEW

Market power has been the subject of intense debate recently – from the trends of decreased competition in some industries, to discussions of its effects on worker wages and well-being, firms’ innovation activities, and its engagement with social issues. The finance academic literature discussed the relationship between competition and firm financial policy three decades ago, but in more recent years, the nature of competition and boundaries of various industries have changed significantly. Yet, there has not been a concerted effort to understand the drivers and consequences of this aspect of industrial organization.

To encourage work in this area of great current importance, the Editors of the *Review of Corporate Finance Studies* (Andrew Ellul, Isil Erel, Camelia Kuhnen, and Robert Marquez) are issuing a call for Registered Reports for research work on the theme of “**Corporate Market Power: Drivers and Financial Consequences.**” The selected papers resulting from the reports will be published in a special issue of the RCFS in 2024. The goal of this special issue will be to shine a bright light on the drivers and consequences of firms’ market power.

We see a relative scarcity of papers on this important topic in finance journals. One reason could be that scholars think of this area as too risky a field to venture into. For example, they may feel that the topic may be politically charged or may not appeal to editors, or there may not be enough high-quality referees working in the area. With this call for Registered Reports, we want to establish very clearly that we believe that the topic is very important and we are willing to contribute to inspire more research in this area.

The evaluation of the proposals will follow the two-stage process adopted previously for Registered Reports on “Discrimination, Disparity and Diversity in Finance” (2021) and on “Finance for the Greater Good” (2022), as well as those used by the *Review of Financial Studies* for Registered Reports on the topics of FinTech and Climate Change. Through the two-stage process, we hope to transfer some of the risk from authors to us as the editors.

The first stage is this call for Registered Reports, which will be in the spirit of detailed research proposals, preferably with some preliminary results (for both empirical and theory proposals). We seek proposals in which authors describe the questions they will address, the methods that will be used, and (for empirical work) the data that will be obtained, or (for theoretical work) the model that will be constructed. We encourage authors to describe in detail how the analyses will be conducted and the potential interpretations that may emerge from the range of possible findings. Examples of Registered Reports which were successful in 2022, and subsequently entered in the formal review process, can be found here: <http://sfsrcfs.org/registered-reports-repository/>

The RCFS Editorial Board, including the editors and associate editors, will evaluate the proposals. Proposals accepted after the first stage will be provided with detailed guidance on the expectations for a final paper. The RCFS also plans to hold a special session during the 2023 RCFS Winter Conference (see the details here: <http://sfsrcfs.org/rcfs-winter-conference-2023/>) where the proposals that, in the opinion of the RCFS’s Editorial Board, have the best potential will be presented and receive feedback. Importantly, proposals that pass the first stage will be offered an in-principle acceptance for publication in the *Review of Corporate Finance Studies* before the final results are known.

In the second stage, the Editors of the *RCFS*, with the help of the rest of the editorial board, will determine whether the authors have successfully executed on their proposals. Papers that are held to be successful on this dimension will be published in the *RCFS*.

A prize of \$5,000 will be awarded to the paper that, in the opinion of the RCFS's Editorial Board, makes the biggest contribution to the literature.

PROPOSAL SUBMISSION TOPICS

We encourage proposals in the areas of corporate finance, financial intermediation, and household finance that relate to the overall theme of “Corporate Market Power: Drivers and Financial Consequences.” The registered reports could investigate, among other things, the drivers of change over time in corporate market power, and the effects of market power on consumers, labor, households, or inequality.

Potential topics may include, but are not limited to:

- Broad effects of corporate market power on labor, consumers, households, communities, financial, and product markets;
- The feedback between corporate financial policy and competition;
- The disruptive effects of new firm entry;
- Changes over time in corporate market power;
- Political power in relation to market power;
- The role of corporate lobbying and political donations in the rise of market concentration;
- Effects of antitrust legislation and enforcement on firm actions;
- Interaction between fintech and corporate market power;
- Cost of financial intermediation and why it has not decreased despite the rise of automation.

PROPOSAL SUBMISSION INSTRUCTIONS

Please submit your Registered Report using this link: <https://www.conftool.com/rcfs-winterconference-2023/> . The submission fee is US \$50 per submission.