

**CORPORATE
OWNERSHIP & CONTROL**

**КОРПОРАТИВНАЯ
СОБСТВЕННОСТЬ И КОНТРОЛЬ**

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EDITORIAL

Dear readers!

This issue of the journal is devoted to the issue of corporate ownership that is originated from the title of our journal. We tried to consider the issue of corporate ownership from various positions. A focus was done toward the markets of different countries and regions such as Asia and Europe, Canada, the USA, UK and others. Authors of the papers on corporate ownership made their utmost to deliver the new findings to the reading audience.

The very progressive element of the research on corporate ownership presented in the journal is a very thorough comparative analysis of corporate ownership structure in various countries both developed and developing. That gives a new incentive to investigate the issue of corporate ownership more.

Besides that we introduce you papers on such challenging issues in corporate governance as corporate control with application to European countries, corporate governance and financial system with application to Japan, employee stock options, mergers and acquisitions and few others. We expect that these papers will be interesting for you and make you consider an opportunity to submit a paper to the journal.

A special section on corporate governance in a particular country is devoted to Germany. The papers published in this section concerns the major direct impacts of SOX on the European Union (EU) and Germany as a Member State, the importance of corporate governance for growth companies, derives specific requirements for them and evaluates the corporate governance quality for companies listed on Tec-Dax, the financial impact of initial IFRS adoption on the statement of changes in equity and the income statement of German companies. All these issues are on the forefront of corporate governance in Germany.

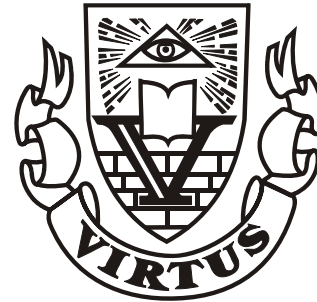
“Practitioner’s corner” narrates on the research of the corporate board practices. Special attention is paid to the issue of the director independence. Moreover, this is a detailed analysis of factors influencing the board composition.

We hope that you will enjoy the journal content and join the author or subscriber groups of our journal.

CORPORATE OWNERSHIP & CONTROL

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CONTENTS



Editorial

5

SECTION 1. ACADEMIC INVESTIGATIONS AND CONCEPTS

Corporate control and relationship finance by banks or by non-bank institutional investors? A review within the theory of the firm 10

Ettore Andreani, Doris Neuberger

In continental Europe, banks are more and more replaced by non-bank institutional investors in the financing and control of firms, which may imply a shift from relationship finance with insider control to arm's length finance with outsider control. However, non-bank institutional investors may develop relationships with firms similar to the traditional long-term bank-firm relationship, providing substitutive services. The present paper differentiates between relationship banking and relationship investing within the theory of the firm and reviews the financial and corporate control services provided by both arrangements.

The Financial System and Corporate Governance in Japan 28

Mitsuaki Okabe

Corporations may be said to be engines of any market economy and their proper behavior is a key to economic, hence human, security. This paper argues that one of the most important causes for the prolonged period of recessions of the Japanese economy in the 1990's is deeply rooted in the long-established financial structure of the economy and in the closely related issue of corporate governance. Although Japanese corporations have been traditionally understood that their activities are monitored and governed by "main banks," this framework has been changing over the last 10-15 years toward corporate governance driven by pressure from capital markets.

Managerial Discretion in Non-Profit Organizations: an Application to Spanish Work Accident Mutuals 40

Eugenia Suárez Serrano

This paper explores the problems of managerial discretion in the non-profit sector, with special consideration to Spanish Work Accident Mutuals (MATEPs). Firstly, from Transaction Costs, Property Rights and Agency perspectives, the economic rationale of mutuals is analyzed, paying particular attention to MATEP's peculiarities and incentives in terms of competition, regulation and ownership. Subsequently, the effectiveness of governance mechanisms is discussed, showing that the status quo leaves excess power in the hands of the managers of these organizations.

Employee Stock Option Exercises - an International Analysis 50

Steven Balsam, Richard Gifford

In this paper we use a proprietary data set that consists of all stock option grants and exercises for a Fortune 100 multinational corporations from 1990 to 1999 to show that the exercise patterns of employees varies across countries. When we examine the variables overall exercise responds to we

find evidence that the variables vary with culture, e.g., in general patterns in English speaking countries appear to be comparable, but not so for other countries. We found it also varies across countries.

Mergers and Acquisitions: a Review of the Literature

56

Raymond A. K. Cox

This paper is a selected literature review of the theories and empirical evidence on mergers and acquisitions. Initially, the fundamental factors, and the underlying theories, causing mergers is explored. Subsequently, the empirical evidence is examined on: (1) the operating performance of the acquirers and the acquired firms before and after the merger, (2) stockholder wealth impact, (3) form of payment used to complete the acquisition, (4) conglomerate mergers, and (5) corporate governance affecting the firm's ownership and control.

SECTION 2. CORPORATE OWNERSHIP

The Asian crisis and corporate governance

- ownership structure, debt financing, and corporate diversification

61

Masaharu Hanazaki, Qun Liu

Based on firm-level analysis, this paper suggests that ownership concentration enabling controlling shareholders to expropriate other shareholders; fund raising through debt that is short of effective monitoring by creditors; and inefficiency caused by the ill effects of diversification are all associated with significantly worse performance during the Asian crisis. The region's predominant governance structure, characterized by family control and conglomerates, was considered a factor in its miraculous economic development but has been seen since the crisis as the origin of crony capitalism.

Ownership structure and expropriation in stock exchange listed firms

80

Yoser Gadhoun, Jean-Pierre Gueyié, Mohamed Hentati

This paper analyses firms' ownership structure and corporate governance in seven countries, with an emphasis on stock exchange listed firms. This focus is, in our view, important because these firms are more representative of the economies of countries included in our sample. Our results indicate that in Canada, Europe and East-Asia, ownership structure is highly concentrated. In the U.S., firms' ownership structure is more diffuse. Being listed on the stock exchange can explain the firm's ownership structure.

Agency Costs, Ownership Structure, and Corporate Governance in Pre- and Post-Ipo Firms

89

Wallace N. Davidson III, Amani Khaled Bouresli, Manohar Singh

Following the approach in Ang, Cole, and Lin (2000), we estimate the impact of CEO ownership on agency costs in pre-IPO firms and again in the post-IPO period when they have become publicly traded companies. We find that CEO ownership is large in both the pre and post-IPO firms. Greater CEO ownership is associated with lower agency costs both before and after the IPO, and CEO ownership in these firms seems to dominate all other agency control mechanisms.

Ownership Structure, Large Inside/Outside Shareholders, and Firm Performance: Evidence from Canada

97

Eduardo Schiehl

This study gathers additional evidence on the association between ownership concentration and firm performance, as measured by the firm's Q ratio. I examine whether direct and indirect monitoring on the part of large shareholders has an impact on the association between ownership concentration and firm performance. Along with the distinction between large inside and outside shareholders, this study also investigates whether concentration of voting rights is associated to firm performance, and whether the identity of the owner affects this association.

SECTION 3. NATIONAL PRACTICES OF CORPORATE GOVERNANCE: GERMANY

Extraterritorial Impacts of the Sarbanes-Oxley Act on External Corporate Governance – Current Evidence from a German Perspective 113

Axel Haller, Jürgen Ernstberger, Christian Kraus

The paper analyzes the major direct impacts of SOX on the European Union (EU) and Germany as a Member State. The focus of the analysis is on rules concerning external corporate governance instruments. Additionally, the paper investigates whether the contemporary regulatory activities in the EU and Germany concerning external corporate governance can be explained as indirect institutional consequences of SOX. The paper demonstrates that several rules of SOX quite obviously served as a model for the EU regulatory activities. The same phenomenon can be observed for the new German regulations of external corporate governance.

Corporate governance of German growth companies. Empirical analysis of the corporate governance quality and the structure of supervisory boards of companies listed on TEC-DAX 127

Alexander Bassen, Maik Kleinschmidt, Christine Zöllner

This article analyses the importance of corporate governance for growth companies, derives specific requirements for them and evaluates the corporate governance quality for companies listed on Tec-Dax. Growth companies' characteristics imply a comparatively high importance of corporate governance due to a high level of business and agency risk. The empirical results imply a high conformity of the Tec-Dax companies with the GCGC criteria with some exceptions for specific companies and criteria.

Voluntary Adoption of IFRS in Germany: A Regulatory Impact Study 138

Soledad Moya, Ester Oliveras

The purpose of this paper is to analyse the financial impact of initial IFRS adoption on the statement of changes in equity and the income statement of German companies. The results are that the impact of initial adoption of IFRS was, both individually and overall, significant. In relation to the specific sectors analysed, impact is also relevant, although not as much as in DAX companies, but differs between the sectors.

SECTION 4. PRACTITIONER'S CORNER

How independent should the board be? Corporate board structure from a voting perspective 148

Haiying Huang

This paper proposes a model of corporate voting in which private information and individual preferences of board directors drive the board decisions. The optimal board structure and optimal firm value are solved numerically and their dependence on director and firm characteristics are studied. The optimal board structure is determined by outside and inside directors' relative informedness about the firm, insiders' bias, outsiders' advisory ability as well as the characteristics of the projects that the firm have. Voting rules other than the majority voting rule are considered. It is found that the majority rule often is not the optimal rule and it is optimal for a firm to have more inside directors while adopting a tougher voting rule.

SECTION 5. CORPORATE WORLD NEWS

Reported by Alex Kostyuk 157

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