

**CORPORATE
OWNERSHIP & CONTROL**

**КОРПОРАТИВНАЯ
СОБСТВЕННОСТЬ И КОНТРОЛЬ**

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EDITORIAL

Dear readers!

This issue of the journal is devoted to several issues of corporate governance.

J. Young aims to research the general approach to a risk management process for a typical petroleum, oil and gas company operating in the South African industry and to determine the primary risk types for such a company. The result of this research could serve as an awareness instrument for petroleum, oil and gas industries to support and establish an effective risk management process, while striving to achieve industry and economic objectives. Furthermore, to serve as a working platform for those companies that is still in early stages of developing a practical risk management solution.

Anders Ekholm, Alexander von Nandelstadh explore this question by monitoring investors' trading behavior during the weeks prior to analyst earnings forecast revisions using a unique stock transactions data set from Finland. We do not find evidence of large investors systematically being warned of future earnings forecast revisions. However, our results indicate that the very largest investors show trading behavior partly consistent with being informed about future earnings forecast revisions.

Chu-Yang Chien, Yuh-Jiuan Parng, Chen-Wei Lu test the relationship between the corporate governance mechanism, especially Board of Directors' composition and ownership structure, and the involuntary delisted firms. The study extracts 58 involuntary delisted firms from Taiwan Securities Exchange (TSE) during 1997 to 2007 and matches with 112 similar control firms. The results from probit regression suggest that Board of Directors (BOD) with more number of outside independent directors, larger board size, lower ratio of shares pledged to the total shares, higher seats over control right, and lower control right over right for cash flow may reduce the likelihood of delisting. The study could become monitoring indices for internal examination system, the warning signals for investors, and the reference for the policy makers.

Marion A. Weissenberger-Eibl and Patrick Spieth research the characteristics of ownership and control in family business and point out the role of Family Business Governance in securing an appropriate control of the owning families. The authors give suggestions how to implement the German Governance Code recommendations in family businesses.

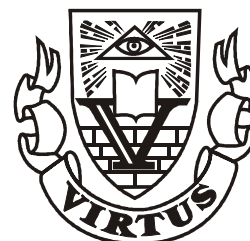
Faizah Darus, Dennis Taylor examine whether the introduction of an accounting standard relating to

the disclosure of financial instruments affects voluntary corporate disclosure, and the impact of proprietary and political costs on such disclosure decisions. Using the annual reports of 70 Australian listed companies over a period of 6 years giving 420 firm-year observations, this study investigates the comparative impacts of proprietary and political information costs on management's voluntary disclosure decisions relating to financial instruments. The regulatory disclosure environment, the impact of proprietary costs (proxy by a firm's investment growth opportunities) and political costs (proxy by a firm's probability of financial distress, size of a company and negative media attention) relating to the voluntary disclosure of financial instruments were investigated. Results of this study provide evidence that the mandatory disclosure of non-proprietary information relating to financial instruments has resulted in an increase in the voluntary disclosure of related proprietary information.

Valentina Della Corte explores the strategic systems and more precisely the strategic network that develops within a territory (business districts, destinations) or a virtual set and that is even denser and more complex than ordinary networks: local resources can be relevant for the whole aggregate and relations are also physically or virtually particularly closed. Strategic networks and inter-firm collaborations have often been analysed with respect to their main success factors. Less attention has been paid to the more obscure and less satisfying aspects that somehow explain why, in some cases, they fail or at least do not take off. Even theoretical frameworks usually adopted as Resource-Based Theory (Rumelt, 1982; Wernerfelt, 1984; Barney, 1991, 2007) Transaction Cost Economics (Williamson, 1975, 1981) and Social Network Theory (Granovetter, 1973, 1982; Lieberskind *et al.*, 1996, Wasserman, Faust, 1999) are used according to a positive approach, aimed at finding and analyzing mainly successful initiatives. The aim of this article is to analyse, in particular, situations of distrust, that can either continue pushing firms not to cooperate or rather evolve towards more trustful situations and therefore with more chances of really developing business networks. A specific model is proposed, to manage distrust and to evolve towards trustful situations.

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