Synthesis Report

Third International Conference on Corporate Governance in Emerging Markets

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The Third International Conference on Corporate Governance in Emerging Markets is one in a series of academic events organized by the Emerging Markets Corporate Governance Network (EMCGN). The Global Corporate Governance Forum at IFC endorses and supports the Network, which was first convened by Professor Stijn Claessens in 2001. The biannual academic conferences organized by the Network feature themes that are important to academics and practitioners interested in the role and effect of corporate governance in emerging markets.

Global Corporate Governance Forum

IFC International Finance Corporation World Bank Group

The Global Corporate Governance Forum is the leading knowledge and capacity building platform dedicated to corporate governance reform in emerging markets and developing countries. The Forum offers a unique collection of expertise, experiences, and solutions to key corporate governance issues from developed and developing countries.

The Forum's mandate is to promote the private sector as an engine of growth, reduce the vulnerability of developing and emerging markets to financial crisis, and provide incentives for corporations to invest and perform efficiently in a transparent, sustainable, and socially responsible manner. In doing so, the Forum partners with international, regional, and local institutions, drawing on its network of global private-sector leaders.

The Forum is a multi-donor trust fund facility located within the IFC, co-founded in 1999 by the World Bank and the Organisation for Economic Co-operation and Development (OECD).

The Third International Conference on Corporate Governance in Emerging Markets included 38 papers authored by scholars from 18 countries. The papers, organized into 10 thematically different sessions, explore important topical areas in corporate governance research. They document how institutions can affect firm valuation, influence the extent of corporate governance problems, and affect firm performance and financial structure. Some papers report on how voluntary corporate governance mechanisms—ownership structures, boards, cross-listing, use of independent directors—affect firm performance and behavior. Other papers look at factors that influence countries' willingness to undertake corporate governance reforms. In keeping with the Network's tradition, the conference included two keynote lectures—on the political economy of governance, and on research issues in the corporate governance field—presented by members of the Network's scientific committee.

SUMMARY OF THE FIRST DAY

The conference began with welcoming speeches from Professor Jinkyu Lee (the Dean of Korean University Business School) and Professor Hasung Jang (Chairman of the Organizing Committee) emphasizing the importance of corporate governance reforms In Korea's economic development and the role of research in supporting the reforms, followed by Professor Stijn Claessens's (IMF and University of Amsterdam) opening remarks. Stijn Claessens presented the evolution of the Emerging Markets Corporate Governance Research Network. He reminded attendees that the Network's primary purpose is to stimulate research on corporate governance in emerging markets as well as in transition and developing countries, with the objective of raising the academic quality of research, fostering international exchange among scholars in all regions, and enhancing the dialogue of researchers with policy makers and the private sector. Areas that require continuing attention from researchers, Claessens noted, are ownership structures and their relationship to performance, internal corporate governance mechanisms and stakeholders' roles, and public and private enforcement. He also emphasized the increased importance of the governance of financial institutions in both developed and developing markets, and he suggested that lessons from corporate governance research can be applied to regulatory corporate governance.

The first day continued with two parallel sessions, on **Institutions** and **Corporate Governance**. Seven papers were presented in these sessions.

First Keynote Address: Randall Morck

Randall Morck's entertaining and thought-provoking keynote address provided an analysis of the relationship between economic development and religious and legal institutions, based on a review of the history of "corporatism." As a body of "normative economics," the professor explained, corporatism puts the police power of the state behind officially sanctioned corporations—elite-controlled industrial group cartels empowered to set wages, prices, employment, and quotas—thereby guaranteeing workers their customary jobs and incomes. Morck argued that countries that adopted corporatism most fully—those with Roman Catholic majorities or French-educated elites—experienced substantial financial development reversals. He further suggested that the legacy of corporatism promoted by the Roman Catholic Church in the late nineteenth century continues to retard financial development and growth even today.

Drawing parallels between socialism and corporatism, which presumed the continual reliability of a benevolent and competent elite, Morck noted that good intentions were no protection against abuse of authority. In the search for a perfect economic system, he explained, the genuine middle way would be the liberal democratic welfare state, which protects private property, enforces contracts, and perhaps even regulates financial institutions while letting markets signal prices and thus the incentives that, by coordinating economic activity efficiently, justify the existence of private property in a liberal free-market economy. Supervision of the economy is the job of the government; it must design and operate a system that mediates the control and redistribution of resources. Control over an economy's resources translates unfailingly into power over others; so, governments must acknowledge that they are charged with distributing, legitimizing, and limiting the power of some people over other people. Given the common acknowledgement of an increasing role for governments in the oversight of markets, Morck's remarks were timely.

Afternoon Sessions

Two parallel afternoon sessions—**Family-Controlled Firms** and **Shareholders Rights and Corporate Control**—addressed shareholders rights and implications of concentrated ownership for minority shareholders. The Conference continued with a special session on **Green Financing and Corporate Social Responsibility**, in addition to the traditional topical areas of previous conferences. Seven papers were presented in these sessions.

SUMMARY OF THE SECOND DAY

The second day started with three parallel sessions: **CEO and the Board of Directors**, **Capital Markets and Corporate Governance**, and **Governance of Business Groups**, with three papers for each session.

Three more parallel sessions followed: **Market for Corporate Control**, **Corporate Governance Mechanisms and Corporate Decisions**, and **Agency Problem and Managerial Incentives**. Three papers were presented in each session.

Second Keynote Address: Bernard Black

The conference closed with Bernard Black's keynote speech on the challenges faced by researchers in investigating the relationship between governance indicators and firm performance. Based on his "Causal Inference Strategies in Corporate Governance Research," written jointly with Vladimir Atanasov and Inessa Love, the professor presented strategies that researchers can use in exploring and explaining whether corporate governance is associated with—and causes—a change in market value, accounting performance, or firm behavior.

Starting with the sources of the endogeneity problem (such as reverse causality, unobserved firm heterogeneity, and omitted variables) as the main obstacles to inferring causality, Black cited examples from his own research. He presented four requirements for a causal inference: that the causal effect is exogenous, that it causes governance change, that performance is predicted only through change in governance, and that a control group exists. He suggested six research strategies, applicable to different situations, that researchers can use, provided that the four conditions are met. Black's country studies on the causal relationship between governance and performance are good examples of how these strategies are used.

Closing

In his closing remarks, Phil Armstrong, Head of the Global Corporate Governance Forum, emphasized the importance of scientific research in supporting corporate governance reforms. Melsa Ararat, coordinator of the Network, asked for nominations for host of the Fourth International Corporate Governance Conference, which is planned for 2013, and she thanked Korean University and AICG for their hospitality and flawless organization of the conference.

SYNTHESIS OF THE FINDINGS

Perhaps the best way to understand the importance of specific governance issues discussed during the conference—and their relevance for economic development in emerging markets—is from the perspective of ownership structures and the related organizational form of business groups. Elements worth highlighting are the wide variety in ownership concentration across countries and the variation in business group structures. This diversity leads to a large variation in the nature of principal-agent problems and subsequently in corporate governance issues. What follows is a summary of the conference and highlights of research from this perspective. (See the end of this report for a list of papers presented at each session.)

Ownership Structures and Shareholder Rights

Although specific corporate governance problems vary from country to country, ownership structure is an important factor common to all countries, because it defines the nature of principal-agent issues. For instance, it is necessary to distinguish between direct ownership (also called cash-flow rights) and control rights (who has de facto control over the running of the corporation, also called voting rights). Even though family ownership is prevalent in many emerging market corporations, other owners are also important, either as dominant shareholders or as a device for monitoring the controlling families. Another key factor is group affiliation, especially in emerging markets, where business groups can dominate economic activity.

Two full sessions were devoted to this topic, and other sessions also included papers that addressed different aspects of ownership structures. In the session on **Family-Controlled Firms, John Nowland, En-Te Chen, and Stephen Gray** presented a paper analyzing four mechanisms of family involvement in listed firms in Taiwan: through ownership, board representation, family chief executive officers, and family managers. For family directors and family managers, they found a negative relationship to firm performance, but they found no relationships to firm performance for family ownership and family chief executive officers.

Kee-Hong Bae, Seung-Bo Kim, and Woochan Kim reported a similar finding in the context of a special type of not-for-profit organization, Korean private universities. They found that measures of family commitment (proxy for good governance) are positively related to the university performance, and measures of family control (proxy for bad governance) are negatively related. They also found that poorly governed universities are more likely to undergo a dispute between the controlling family and other stakeholders.

An analysis of Russian firms, by **Andrei Kuznetsov, Rostislav Kapelyushnikov, and Natalya Dyomina**, also yielded findings in line with these two papers. Their paper cites evidence of a negative relationship between the size of the dominant owners' shareholding and performance variables of the firms. The findings also show that shared control (multiple large shareholders) increases efficiency.

The relationship between ownership structures and performance can change not only over time but also across different institutional settings, including cultural norms. In the session on **Institutions and Corporate Governance**, **Raphael Amit, Yuan Ding, Belen Villalonga, and Hua Zhang** presented their analysis of the impact of institutional development across the Chinese provinces, showing differences in cultural norms, law, and regulation. They found that, when institutional efficiency is low, family ownership and management increase value, but family control in excess of ownership reduces value. When institutional efficiency is high, however, none of these factors is significant.

In the same session, a paper by **Rima Turk Ariss** analyzed the extent to which differences in legal tradition, judicial efficiency, and investor protection affect debt financing and risk taking across developing economies. She reported that, when legal formalism is high, firms contract more debt but are less willing to undertake risky investments.

In the session on the **Governance of Business Groups**, two papers focused on the diversification of business groups in emerging markets. **Raheel Gohar and Semra Karacaer** showed the impact of diversification on firm value, comparing group-affiliated Pakistani firms with nonaffiliated ones. And **Ayse Karaevli** looked at four Turkish business groups and reported that the degree of unrelated diversification depends on several firm-specific factors (scale and scope, bank ties, and the strength of the distribution network) that stem from the characteristics of the founder (merchant versus industrialist background, risk-taking propensity) and the entrepreneurs' strategic choices at the time of founding and in early years of the group's development. A third paper, by **Kaustav Sen, Jayati Sarkar, and Subrata Sarkar**, looked at Indian groups and reported that the degree of opportunistic earnings management tends to increase with insider control.

Another aspect of ownership structure is the role of institutional investors, which to date is much less significant in most emerging markets than in developed countries. Two papers addressed the role of institutional investors in emerging markets. In the session on **Shareholder Rights and Corporate Control**, **Assaf Hamdani and Yishay Yafeh** reported that institutional investors, as minority shareholders, can play only a limited direct role in corporate governance in emerging markets. Moreover, the presence of powerful families who control many public companies through business groups creates new potential sources of conflicts of interest for institutional investors. For the session on **Corporate Governance Mechanisms and Corporate Decision**, **Joseph A. McCahery, Zacharias Sautner, and Laura T. Starks** shared their findings that large differences in preferences for activism exist between institutional investors in the United States and the Netherlands, countries which differ considerably in their ownership structures. These two papers indicate that studies on the role of institutional investors in emerging markets are largely nonexistent to date.

Another paper, by **Meijun Qian, Hongbo Pan, and Bernard Yeung** for the session on **Agency Problem and Managerial Incentive**, focused on the role of political connections under concentrated ownership in China. The authors showed that expropriation by controlling shareholders through tunneling or self-dealing is far more severe in firms that are politically connected than in those that are not politically connected. The paper notes that this severity results more from the politically connected firms' lesser concern with capital market punishment than from the possibility that such firms tend to establish political connections for protection.

Corporate Governance Reforms

Some papers presented at the conference provided examples of important corporate governance reforms and their effects, and another set of papers examined the various voluntary mechanisms of governance that firms have adopted.

Korea has been frequently studied because of its dramatic reforms in the aftermath of the global financial crisis. These reforms triggered restructuring activities by Korean firms. One such reform was the removal of statute-based antitakeover provisions (ATPs) during the aftermath of the Asian financial crisis, prompting a significant number of Korean firms to introduce charter-based measures. **Woochan Kim and Sunwoo Hwang** presented a paper on this issue for the session on **Market for Control**. They found that firms with charter-based antitakeover provisions are smaller in size, have lower inside and foreign ownerships, and, upon adoption of ATPs, experience lower share prices, which drop with inside ownership. They also showed that ATP adoptions are followed by lower profitability and lower dividend payouts, and that firms with ATPs also experienced greater delistings during the global financial crisis. In the same session, the paper by **Hee Sub Byun, Woojin Kim, Eun Jung Lee, and Kyung Suh Park** complemented these findings by showing that the market for corporate control in Korea does not function as a disciplining mechanism but rather as a potential tunneling channel that raiders take advantage of. The third paper in this session, by **Natasha Burns and Ivonne Liebenberg**, was also related to the market for corporate control and showed the differential effects of U.S. takeovers in emerging and developed markets.

Another set of reforms aims to strengthen the board structures by introducing a mandatory quota for outsiders or independent outsiders. Three papers presented in the session on **CEO and the Board of Directors** analyzed the impact of board reforms and related issues. The first paper, by **Sung Wook Joh and Jin Young Jung**, showed that independent outside directors in Korea improve firm value, on average, but friendly outside directors have negative impact. Independent boards perform better in large firms and in firms with less information asymmetry and high transparency. However, friendly boards increase firm value more than independent boards, when their firms face financial volatility and threats of mergers and acquisitions. The paper by **Qianru Qi and Lu Xu** examined methods of strategic network formation to estimate the impact of board interlock networks on directorship, market outcomes, and firm values. This study highlighted the dominant role of ties to other board members in the appointment of directors. It also reported that interlock connections decreased firms' values pre-SOX (Sarbanes-Oxley Act of 2002) and increased them post-SOX. On the other hand, boards appear ineffective—or even hurt minority shareholders—in countries where some arbitrarily low level of board independence is recommended by existing codes of governance. The third paper, by **Melsa Ararat, Hakan Orbay, and Burcin Yurtoglu**, showed that board independence is ineffective in Turkey, where the level of board independence is quite low (about 7 percent of all directors are independent). All three papers used appropriate techniques to deal with endogeneity problems—that better firms are more likely to adopt more independent boards.

Findings presented by **Hee Sub Byun, Ji Hye Lee, and Kyung Suh Park** in the session on **Institutions and Corporate Governance** showed that the effectiveness of the board of directors (as well as other internal governance mechanisms) improves with a higher degree of product market competition. Their findings suggested that corporate governance and market competitiveness are complementary.

In the session on **Agency Problem and Managerial Incentive**, **Yang Qing and Burcin Yurtoglu** documented a similar positive impact from improvements in the regulatory regime in China. During 2005–2006, Chinese regulators used a decentralized process to eliminate nontradable shares (NTS)—long recognized by investors as one of the major hurdles to corporate governance—in the capital of listed firms. According to the authors, one channel through which the NTS reform fortified corporate governance in Chinese firms is by strengthening the direct link between incentive-based compensation and firm performance in China.

Another reform in China was the January 2002 introduction of mandatory cumulative voting in director elections. In the session on **Shareholder Rights and Corporate Control**, **Jun "QJ" Qian and Shan Zhao** presented a paper showing that, relative to other firms, firms with cumulative voting experienced less expropriation and improved investment efficiency and performance. In the same session, **Zhihong Chen, Bin Ke, and Zhifeng Yang** shared their analysis of the impact of a 2004 Chinese securities regulation that requires equity-offering proposals to seek the separate approval of minority shareholders. They reported that the effectiveness of this reform depends on the composition of minority shareholders.

Voluntary Adoption of Corporate Governance Practices

Empirical evidence shows that firms adapt to weaker environments by adopting voluntary corporate governance measures, that these mechanisms can add value, and that they are appreciated by investors in a variety of countries. At the same time, a country's legal and enforcement environment can still reduce their effectiveness. The following papers analyze these mechanisms.

In the last decade, many researchers have linked firms' actual corporate governance practices to their market valuation and performance. In the session on **Corporate Governance Mechanisms and Corporate Decision**, **Bernard S. Black, Antonio Gledson de Carvalho, and Érica Gorga** presented a paper illustrating that the magnitude of the effects of corporate governance can be quite substantial. By comparing effects in Brazil, India, Korea, and Russia, they found that different practices are important in different countries for different types of companies. Country characteristics thus influence which aspects of corporate governance affect market value for which firms. These results support a flexible approach to governance, with ample room for firm choice, rather than a top-down regulatory approach.

In the same session, **Vitaliy Zheka** reported similar results, showing that Ukrainian firms that practice better corporate governance benefited the most from the improved liquidity in 2000–2007, because they adjusted their financial structures at higher rates.

In the session, **Agency Problem and Managerial Incentive,** **David Oesch, Manuel Ammann, and Markus M. Schmid** used firm-level data from Governance Metrics International to show that firms with poor firm-level governance hold significantly more cash than firms with better firm-level governance. They also documented a positive effect of cash holdings on firm value for firms with good firm-level corporate governance.

Another cross-country, firm-level study, presented by **Mark Lang and Mark Maffett** in the session on **Institutions and Corporate Governance**, showed that firms with greater transparency (based on accounting standards, auditor choice, earnings management, analyst following, and analyst forecast accuracy) experience less liquidity volatility, fewer extreme illiquidity events, and lower correlations between firm-level liquidity and both market liquidity and market returns. These results are particularly pronounced during crisis periods.

Cross-listing securities on foreign markets is a specific way to access international financial markets and can relate to and affect firms' corporate governance practices. The "bonding" argument, for example, claims that by cross-listing in a stronger environment, firms commit to tough disclosure and corporate governance rules. In the session on **Capital Markets and Corporate Governance**, however, **Jaiho Chung, Hyejin Cho, and Woojin Kim** challenged the bonding argument by showing that firms are more likely to choose cross-listing destinations that are less strict on self-dealing or that exhibit higher block premiums than the origin country. **Amir Licht, Xi Li, and Jordan Siegel** reported similar findings from their analysis of markets' reactions to a sudden radical change in the regulations for U.S.-listed foreign firms. These papers indicated that there is considerable debate on the corporate governance motivations for and benefits of cross-listing.

Corporate Social Responsibility and Green Financing

Recent years have witnessed a growing interest in corporate social responsibility (CSR). Firms' greater emphasis on CSR activities can be interpreted as a shift in the interaction between firms, their institutional environment, and important stakeholders. But, it is less clear whether participation in social issues is also related to good firm performance. To address this issue, the conference introduced a special session on **Green Financing and Corporate Social Responsibility**.

A paper by **Kenneth Amaeshi, Onyeka K. Osuji, and Jonathan P. Doh** argued that CSR complements existing public and informal governance configurations and thus creates a better chance that both the public and private governance modes will compensate for each other's weaknesses in the governance of corporate externalities. In other words, CSR becomes a private initiative or voluntary effort by firms to fill some governance voids or to complement existing governance modes within specific institutional configurations, especially in developing economies with weak capitalist institutions.

Another paper, by **Muhammad Asif Paryani**, offered a case study of Pakistan. It revealed various deficiencies of uniform lawmaking for the promotion of CSR activities with the involvement of all the stakeholders in the country. The role of stakeholders is required to be more focused, effective, and efficient toward good corporate governance and implementation of CSR.

An empirical study by **Liguo Lin, Jon J. Moon, and Haitao Yin** found that, among Chinese firms, those with international links are more likely to exhibit better compliance with environmental regulation than are those with no international links. These results indicate that financing foreign investment into emerging economies could serve a "green" purpose, leading to better corporate environmental performance. In another case study, this time on Korea, **Deokkyo Oh** drew attention to the importance of public financial participation for the development of green financing. He argued that credit guarantees for green technologies in small and medium enterprises will be pivotal.

Hyoung Goo Kang offered a theoretical analysis of the capital budgeting decisions for green projects. He argued that green projects are usually subject to high uncertainty or social controversy and that existing approaches are polarized: financial economists tend to apply the variations of traditional discounted cash flow models, but strategy and organization researchers emphasize social and environmental responsibilities over qualitative sociopolitical processes of valuation. His paper attempted to reconcile these two approaches by showing that their applicability depends on the degree of uncertainty or social controversy surrounding the project. The session demonstrated that substantial theoretical and empirical research is necessary for a full understanding of these important issues.

SESSIONS AND PAPERS BY TOPIC[1]

Agency Problem and Managerial Incentive

- *Expropriation of Minority Shareholders in Politically Connected Firms.* Meijun Qian, Hongbo Pan, and Bernard Yeung.
- *The Impact of the Split-share Structure Reform on Compensation Incentive Based on Firm Performance in China.* Yang Qing and Burcin Yurtoglu.
- *Cash Holdings and Corporate Governance around the World.* David Oesch, Manuel Ammann, and Markus M. Schmid.

Capital Markets and Corporate Governance

- *Is Cross-Listing a Commitment Mechanism? Evidence from Cross-Listings around the World*. Jaiho Chung, Hyejin Cho, and Woojin Kim.
- *Private Placements, Regulatory Restrictions and Firm Value: Theory and Evidence from the Indian Market.* Vijaya Marisetty.
- *How do Firms Issue Shares? Evidence from Around the World.* David McLean, Tianyu Zhang, and Mengxin Zhao.

CEO and the Board of Directors

- *Effects of Independent and Friendly Outside Directors.* Sung Wook Joh and Jin Young Jung.
- *How Does The Director's Social Network Matter? Evidence from Structure Estimation.* Qianru Qi and Lu Xu.
- *The Effects of Board Independence in Controlled Firms: Evidence from Turkey.* Melsa Ararat, Hakan Orbay, and Burcin Yurtoglu.

[1] Papers are available at http://www.gcgf.org/ifcext/cgf.nsf/Content/Korea_RN_May2011.

Corporate Governance Mechanisms and Corporate Decision

- *Behind the Scenes: The Corporate Governance Preferences of Institutional Investors.* Joseph A. McCahery, Zacharias Sautner, and Laura T. Starks.
- *Does One Size Fit All in Corporate Governance? Evidence from Brazil (and other BRIK Countries).* Bernard S. Black, Antonio Gledson de Carvalho, and Érica Gorga.
- *The Impact of Corporate Governance Practices on Dynamic Adjustment of Capital Structure of Companies in Ukraine.* Vitaliy Zheka.

Family-Controlled Firms

- *Family Involvement and Family Firm Performance.* John Nowland, En-Te Chen, and Stephen Gray.
- *Family Control and Expropriation of Not-for-Profit Organizations: Evidence from Korean Private Universities.* Kee-Hong Bae, Seung-Bo Kim, and Woochan Kim.
- *The Impact of Concentrated Ownership on Firm Performance in an Emerging Market: Evidence from Russia*. Andrei Kuznetsov, Rostislav Kapelyushnikov, and Natalya Dyomina.

Green Financing and Corporate Social Responsibility

- *Corporate Social Responsibility as a Market Governance Mechanism: Any Implications for Corporate Governance in Emerging Economies*? Kenneth Amaeshi, Onyeka K. Osuji, and Jonathan P. Doh.
- *Corporate Social Responsibility, the Role of Stakeholders and Sustainable Development.* Muhammad Asif Paryani.
- *Emerging of Financial-Industrial Groups due to Post-1989 Changes in the Czech Republic and Slovakia.* Danes Brzica.
- *Foreign Investment, Export, and Greener Production in Emerging Economies? Evidence from Shanghai.* Liguo Lin, Jon J. Moon, and Haitao Yin.

- *Green Financing in Korea.* Deokkyo Oh.
- *Rights Issues and Creeping Acquisitions in India.* Shamim S. Mondal and Gaurav Jetley.
- *Valuation of Green Projects with Social Considerations.* Hyoung Goo Kang.

Governance of Business Groups

- *Business Group's Diversification and Firm Value: a Comparison of Pakistani Business Group Affiliated and Unaffiliated Firms.* Raheel Gohar and Semra Karacaer.
- *Insider Control, Group Affiliation and Earnings Management in Emerging Economies: Evidence from India.* Kaustav Sen, Jayati Sarkar, and Subrata Sarkar.
- *Strategic Change or Deja Vu? Why do Business Groups Still Unrelatedly Diversify in Emerging Markets?* Ayse Karaevli.

Institutions and Corporate Governance

- *Enforceability and the Effectiveness of Laws and Regulations.* Ke Li, Lei Lu, and Jun “QJ” Qian.
- *How Does Product Market Competition Interact with Internal Corporate Governance? Evidence from the Korean Economy*. Hee Sub Byun, Ji Hye Lee, and Kyung Suh Park.
- *Institutions, Investor Protection, and Corporate Choices in Developing Economies*. Rima Turk Ariss.
- *The Role of Institutional Development in the Prevalence and Value of Family Firms.* Raphael Amit, Yuan Ding, Belen Villalonga, and Hua Zhang.
- *Transparency and Liquidity Uncertainty in Crisis Periods.* Mark Lang and Mark Maffett.
- *What Makes the Bonding Stick? A Natural Experiment Involving the Supreme Court and Cross-Listed Firms*. Amir N. Licht, Xi Li, and Jordan I. Siegel.
- *Who Bribes? Evidence from the United Nations' Oil-for-Food Program*. Yujin Jeong and Robert J. Weiner.

Market for Control

- *Anti-Takeover Charter Amendments and Managerial Entrenchment: Evidence from Korea*. Woochan Kim and Sunwoo Hwang.
- *Market for Corporate Control in Emerging Economy: Disciplining Mechanism or Tunnelling Device?* Hee Sub Byun, Woojin Kim, Eun Jung Lee, and Kyung Suh Park.
- *The Impact of U.S. Takeovers in Foreign Markets: Their Differential Effects on Emerging and Developed Markets*. Natasha Burns and Ivonne Liebenberg.

Shareholder Rights and Corporate Control

- *Shareholder Rights and Tunneling: Evidence from a Quasi-Natural Experiment.* Jun "QJ" Qian and Shan Zhao.
- *Does Granting Minority Shareholders Direct Control over Corporate Decisions Help Reduce Value Decreasing Corporate Decisions? Natural Experiment from China.* Zhihong Chen, Bin Ke, and Zhifeng Yang.
- *Institutional Investors as Minority Shareholders.* Assaf Hamdani and Yishay Yafeh.

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