INTERNATIONAL CORPORATE GOVERNANCE

Marc Goergen



INTERNATIONAL CORPORATE GOVERNANCE

Corporate Governance

Table of Contents

\sim			
(,	מ	Vŧ	⊋r

International Corporate Governance

Contents

Preface

Introduction

Possible paths through this book

Authors acknowledgements

Publishers acknowledgements

Part I Introduction to Corporate Governance

Defining corporate governance and key theoretical models

Introduction

Defining corporate governance

Corporate governance theory

Agency problems

The agency problems of debt and equity

The classic agency problem versus expropriation of minority shareholders

Alternative forms of organisation and ownership

Defining ownership and control

Conclusions

Discussion questions

exercises

notes on the chapter

reading list

Corporate control across the world

Introduction



The evolution of control after the initial public offering

Corporate control in western europe and the usa

Corporate control in asia

Corporate control in transitional economies

Conclusions

Discussion questions

Notes on the chapter

Reading list

Control versus ownership rights

Introduction

Combinations of ownership and control

Combination a: dispersed ownership and weak control

Combination b: dispersed ownership and strong control

Combination C: concentrated ownership and weak control

Combination d: concentrated ownership and strong control

How to achieve dispersed ownership and strong control

The consequences of dispersed ownership and strong control

Conclusions

Discussion questions

Exercises

Notes on the chapter

Reading list

Part II International Corporate Governance

Taxonomies of corporate governance systems

Introduction

The economic and political context giving rise to global capitalism

First attempts to classify corporate governance systems

Legal families

Political determinants of corporate governance

The varieties of capitalism literature

How do the various taxonomies perform?

Conclusions



Discussion questions

Notes on the chapter

Reading list

Incentivising managers and disciplining of badly performing managers

Introduction

Product market competition

The incentivising and disciplining of managers in the insider system and the outsider system

The market for corporate control

Dividends and dividend policy

Boards of directors

Institutional investors

Shareholder activism

Managerial compensation

Managerial ownership

Large shareholder monitoring

Bank and creditor monitoring66

Conclusions

Discussion questions

Notes on the chapter

Reading list

Corporate governance, types of financial systems and economic growth

Introduction

The functions of financial markets and institutions

Bank-based versus market-based systems

The link between types of financial systems and economic growth

Other factors influencing economic growth

Conclusions

Discussion questions

Notes on the chapter

Reading list



Corporate governance regulation in an international context

Introduction

UK codes of corporate governance

The uk approach versus the us approach

The oeCd principles of Corporate governance

The harmonisation of corporate governance regulation across the european union

Policies on positive discrimination

Conclusions

Discussion questions

Notes on the chapter

Reading list

Part III Corporate Governance and Stakeholders

Corporate social responsibility and socially responsible investment

Introduction

Corporate social responsibility and financial performance

CSR indices

Socially responsible investment

Conclusions

Discussion questions

Notes on the chapter

Reading list

Debtholders

Introduction

Benefits and costs from relationship-based banking

Addressing conflicts of interests created by bank ownership and bank board representation

Expropriation of debtholders

Conclusions

Discussion questions

Notes on the chapter

Reading list



Employee rights and voice across corporate governance systems

Introduction

The law and finance literature

The varieties of capitalism literature

Employee stock ownership9

Employee board representation

Breaches of trust and employee expropriation

Conclusions

Discussion questions

Notes on the chapter

Reading list

The role of gatekeepers in corporate governance

Introduction

The role and duties of gatekeepers

The ideal attributes of a gatekeeper

Types of gatekeepers and limitations to their role

Is industry regulation a substitute for corporate governance?

Conclusions

Discussion questions

Notes on the chapter

Reading list

Part IV Improving Corporate Governance

Corporate governance in emerging markets

Introduction

Are large equity markets combined with strong property rights the only way to achieve economic growth?

Inherited wealth

The role of the government

The design of corporate governance in formerly state-owned enterprises

Conclusions

Discussion questions

Notes on the chapter



Reading list

Chapter aims

Contractual corporate governance

Introduction

Cross-border mergers and acquisitions

(Re)incorporations

Cross-listings

Conclusions

Discussion questions

Notes on the chapter

Reading list

Corporate governance in initial public offerings

Introduction

Asymmetric information, pricing anomalies and the separation of ownership and control in IPOs

Problems of asymmetric information and ways to mitigate them

The power of the CEO

Spinning of Ipos

The role of venture capitalists in Ipos

Conclusions

Discussion questions

Notes on the chapter

Reading list

Behavioural biases and corporate governance

Introduction

Bounded rationality

Heuristic simplification

Emotions

Social interactions

Self-deception

Risk taking and decision making according to gender and age

How can these behavioural issues be addressed?



Reflexive loyalty

Conclusions

Discussion questions

Exercises

Notes on the chapter

Reading list

Part V Conclusions

Learning from diversity and future challenges for corporate governance

Glossary

Index

