

Corporate Governance Problems in Emerging Markets

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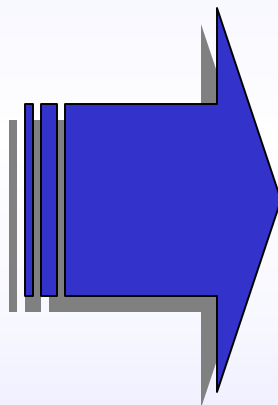
Corporate Governance in Emerging Markets

- Institutional aspects in EM
 - large numbers of unquoted JSCs;
 - illiquid capital markets;
 - fluid legal and regulatory environments;
- Cultural aspects in EM
 - general mistrust of external investors
 - insider involvement in CG (CEE and CIS)
 - network governance (SEA & China)

Corporate Governance in Transition Economies

Large-scale Privatizations

- voucher (give-away schemes)
- holding companies
- FDI divestments
- EMBOs



Outcomes

- Heterogeneity of ownership forms
- Insider control
- Integrated business groups
- Co-existence of different governance models

Corporate Governance in Emerging Market Economies

- Ownership concentration, “J-M Effect” and “private benefits of control”
- Predominance of family ownership in listed firms and organizational outcomes
- “Vertical” and “horizontal” agency relationships: “Principal-principal” vs “principal-agent” problems
- Research outside large, quoted firms

Emergent Research Questions

- Do different CG models co-exists in an emerging market economy? Contingency effects?
- What is the dynamics of CG in the environment of emerging markets?
- What are the effects of national institutions/cultures on balance between formal and informal governance channels?
- Is governance an organizational outcome rather than strategy driver in EMs?