

BOOK REVIEW: “CORPORATE OWNERSHIP AND CONTROL: INTERNATIONAL TRENDS”

by

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“Corporate Ownership and Control: International Trends” deals with some of the most fundamental questions in the ongoing corporate governance debate: Which ownership structures prevail? What drives the choice among ownership structures? Which implications does the dominant ownership structure have for the different internal and external corporate governance mechanisms? Is there a link between corporate ownership and company performance?

The discussion on the allocation of ownership and control is not new (Demsetz, 1983; Jensen & Meckling, 1976). However, this book contributes to the debate with new perspectives, while providing a useful comparison of the current practices in the different countries examined. The examination of corporate ownership and control issues in the nine countries (the USA, Italy, Spain, Turkey, New Zealand, China, Brazil, India, Nigeria) complements existing literature (Damijan & Damijan, 2019; Ruan, Tian, & Ma, 2009; Boubaker, 2007; Carvalhal da Silva & Câmara Leal, 2006; Chappelle, 2004) on comparative corporate governance with its novel approach. Consequently, it is a valuable contribution to the ongoing debate for both practitioners as well as academic researchers.

While concentrated ownership has been connected with the risk of extractions of private benefits, the oppression of minority shareholders and tunnelling (Choi, 2018; Claessens, Djankov, Fan, & Lang, 2002; Colpan & Cuervo-Cazurra, 2018; Dyck & Zingales, 2004; La Porta, Lopez-De-Silanes, & Shleifer, 1999), we still see no clear indications of a convergence in ownership structures. The contributions of this book present the features of some of the many forms of ownership found in developed and emerging economies and they give an excellent account of some of the reasons why concentrated ownership continues to be the predominant ownership structure in many jurisdictions outside the Anglo-Saxon countries. The analysis of ownership structures also includes valuable insights on the interconnectivity of ownership structures and corporate governance mechanisms, such as the market of corporate control and legal protection of minorities.

The complexity of ownership structures and control is captured by the contributors as they take the discussion beyond that of concentrated or dispersed ownership performed previously by AlHares, King, Ntim, and Byrne (2018), Meier and Meier (2013), Habbash (2012). This book provides valuable insight into the concentration of control by the use of control enhancing mechanisms, such as different classes of shares, pyramid structures and shareholder agreements may allow control rights to be separated

from cash flow rights, and which may also have an important impact on a company's behaviour and performance (Bebchuk & Kastiel, 2017; Colpan & Cuervo-Cazurra, 2018; John, Makhija, & Ferris, 2017; Zeitun, 2009; Shearman & Sterling LLP, Institutional Shareholder Services, & European Corporate Governance Institute, 2007; Davidson & Rowe, 2004). This complexity is also reflected by the fact that the many empirical studies, which have examined the relationship between corporate ownership and company performance continue to be inconclusive.

This book is an important contribution to the ongoing discussion on key questions relating to corporate ownership and control and is highly recommended for students, scholars, and practitioners interested in comparative corporate governance.

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