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Introduction

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Background

Students of American business usually assume that large firms are owned by atomistic shareholders. This is a convenient assumption because it justifies a common premise in corporate finance, that firms should be run so as to maximize their value. La Porta, Lopez-de-Silanes, and Shleifer (1999) show that atomistic shareholders are, in fact, prevalent in only two countries, the United States and the United Kingdom. In most countries, corporate control is, for the most part, highly concentrated, and widely held firms are either unknown or the rarest of curiosities. Even in the United States, the current wave of corporate takeovers can be understood as a move toward greater ownership concentration, especially in leveraged buyouts (see Shleifer and Vishny 1997), and Holderness, Kroszner, and Sheehan (1999) show that ownership is more concentrated in the United States than had been commonly believed.

When an individual controls a firm, the assumption that the firm should be run so as to maximize its value conflicts with the more basic axiom of utility maximization. The first principles of microeconomics require that a shareholder with a control block run his firm so as to maximize his utility. The effect of utility-maximizing corporate governance by the controlling shareholder on the wealth of minority public shareholders is then an externality. We expect utility-maximizing holders of controlling blocks to use corporate resources to benefit themselves in both pecuniary and nonpecuniary ways. Pecuniary benefits might include actions that would increase the share price and so benefit minority shareholders, too, as in

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Shleifer and Vishny (1986). But they might also include such things as non-arm's-length transactions at artificial transfer prices between controlled companies and self-dealing via intercorporate loans or securities sales. Nonpecuniary benefits might include corporate hiring policies that discriminate against minorities the controlling shareholder dislikes (even when this raises labor costs) and the use of minority shareholders' money to lobby politicians for policies that disproportionately benefit the controlling shareholder, promote his social or political agenda, or entrench his economic position. Of course, these lists are not exhaustive.

Beginning with Berle and Means (1932), American financial economists have taken dispersed ownership as the norm and asked whether observed or alleged problems in the governance of U.S. firms might stem from their widely held ownership structures. As U.S. economists became aware of the peculiar nature of U.S. corporate ownership, a number of authors, notably Porter (1998) and Roe (1991), argued that atomistic ownership is a competitive disadvantage for the United States and that more concentrated ownership might be a good idea. Others (notably Romano 1993) argue that the U.S. system of corporate governance is unfairly maligned and that other countries might consider promoting less concentrated corporate ownership. Certainly, economic theory provides equally ample resources for constructing models in which concentrated corporate ownership is either good or bad.

The studies presented in this volume are not designed to promote one side or the other of this debate. Rather, they are a mixture of theoretical and empirical studies chosen to highlight the issues that arise in such a discussion and the empirical facts that such a discussion must harmonize.

A Synopsis

Let the reader beware: this volume is unapologetically interdisciplinary. The paper by Brown, Mintz, and Wilson is on tax accounting. Those by Gompers and Lerner; Bebchuck and Zingales; Holderness and Sheehan; and Morck, Stangeland, and Yeung approach concentrated ownership from a financial economics perspective. Bebchuk and Kahan; Bebchuk, Kraakman, and Triantis; Daniels and Iacobucci; Mahoney; and Rock and Wachter all present contributions from a law and economics perspective. Where issues in one field may not be clear to students of another, the papers err on the side of making explanations too elementary. Thus, some papers may seem overly pedantic on some points, but this is to make them comprehensible to students of other fields. Also, the contributions from economists, lawyers, and tax accountants reflect the research and writing styles of those different disciplines. Finally, the papers are organized by topic rather than by discipline. The purpose of this is to encourage a cross-fertilization of ideas, for concentrated corporate ownership is a fundamentally important but neglected area of several disciplines, not just one.
The first set of papers deals with the determinants of concentrated corporate ownership structure. Gompers and Lerner (chap. 1) consider ownership structure at the venture capital stage, Bebchuk and Zingales (chap. 2) discuss initial public offerings, Daniels and Iacobucci (chap. 3) relate bank financing to concentrated ownership, and Brown, Mintz, and Wilson (chap. 4) consider tax factors that might concentrate corporate ownership.

The paper by Paul Gompers and Joshua Lerner examines the ownership structure of U.S. firms at the venture capital stage in the 1900s. Gompers and Lerner specifically focus on new ventures sponsored by established nonfinancial corporations and new ventures sponsored by independent venture capital funds. Independent venture capital funds generally organize the ownership structure of new ventures as partnerships. Nonfinancial corporations tend to fund new ventures as corporate projects or, in some cases, within divisions established to foster new products.

The potential and problems inherent in venture capital investment by established nonfinancial corporations are illustrated by an extended case study of the Xerox Corporation and its venture capital division, Xerox Technology Ventures (XTV), which was modeled on pure venture capital funds. One venture that XTV backed was Documentum, which marketed an object-oriented document-management system. XTV brought in outside entrepreneurs to critique Xerox's activities in this area. Those outside entrepreneurs determined that Xerox was misdirecting its efforts and led an effort to convert its knowledge into marketable products rapidly. Had Xerox sold out in an initial public offering (IPO), the authors estimate, its net internal rate of return on Documentum would have been about 56 percent.

Xerox could not bring itself to divest its control of such enterprises. Despite stellar performance by XTV, Xerox management terminated it and replaced it with Xerox New Enterprises (XNE), which was to retain control of new ventures and to avoid involving outsiders in them. The case study suggests that corporate-backed new ventures can succeed and draw on the backer’s expertise in related areas but that corporate head offices may be unable to tolerate the degree of autonomy that venture capital funds allow entrepreneurs to have.

Gompers and Lerner explore these issues using a large database of U.S. venture capital investments. They find corporate investments to be no less successful than independent investments, especially when there is a strategic fit between the backer corporation and the start-up. They also find corporate-backed investments without such strategic fits to have a decidedly shorter average duration. They conclude that a strong strategic link is critical to the success of new ventures backed by nonfinancial corporations.

The paper by Lucian Bebchuk and Luigi Zingales considers the ownership structure that emerges from the IPO process. Bebchuk and Zingales show that private optimality may give rise to ownership structures that are not socially optimal. Surprisingly, they show this to be true even when a
value-maximizing entrepreneur makes the choice of ownership structures at the IPO stage. A key assumption is that the market for minority shares is perfectly competitive while that for controlling blocks is not. Thus, the entrepreneur may prefer to sell to atomistic shareholders because he cannot appropriate a sufficient amount of the surplus from a block trade. Selling to atomistic shareholders therefore maximizes his private wealth, even though this is socially suboptimal. Since the transfer of ownership imposes different externalities on atomistic shareholders and a potential future blockholder, the IPO price does not simply capitalize the expected value from a potential subsequent purchase of a control block. Bebchuk and Zingales argue that empirical evidence from control-block sales in the United States is consistent with that country having a higher incidence of atomistic corporate ownership than is socially optimal. This paper complements Bebchuk (1999), which discusses whether an IPO should preserve a control block.

The contribution of Ronald Daniels and Edward Iacobucci asks why diffuse ownership structures came to characterize large U.S. firms and critically considers Roe's (1991, 1994) hypothesis that diffuse ownership in the United States resulted from the political economic history of that country. According to Roe, small banks and other interest groups took advantage of a general popular distrust of concentrated economic power in the United States and lobbied successfully for restrictions on equityholdings by large financial intermediaries and on large financial intermediaries perse. Daniels and Iacobucci point out that Canadian banks historically held very little equity in nonfinancial corporations despite the fact that, until 1967, Canada had no laws against banks owning shares. They add that other financial intermediaries, such as insurance companies, had equally little to do with ownership concentration in Canada. In fact, most concentrated corporate ownership in Canada consists of control blocks held by very wealthy families, often through multilayered holding companies.

Daniels and Iacobucci go on to criticize Morck (1996), in which I argue that concentrated corporate ownership might concentrate political rent seeking and thereby lead to concentrated market power. In particular, they take issue with my suggestions that wealthy families (or their managers) can act more discretely than the managers of widely held companies and that wealthy families are more credible partners in favor trading with politicians than are the managers of widely held companies, whose powers end at retirement. Daniels and Iacobucci see no reason why an ability to keep secrets should rise with ownership concentration and point out that the managers of narrowly held firms also retire. They suggest instead that a controlling shareholder can use his public firm's resources to lobby for policies that benefit him alone (or firms he owns fully). Of course, the minority shareholders must pay for part of this rent seeking. (For a discussion of the way in which pyramids of holding companies magnify wealthy
families' rent-seeking power outside the United States, see Morck, Stangeland, and Yeung, chap. 11 in this volume.)

Daniels and Iacobucci also argue that, by increasing retained earnings, market power lessens the need for external financing and thereby increases ownership concentration. Since Canada erected high tariff barriers for the first several decades of its existence, market power may have fostered ownership concentration rather than the reverse. They further point out that value-increasing deconcentration is rendered unnecessarily difficult by Canada's equal opportunity rules, which require block sales to be extended, at the same price, to all shareholders on a pro rata basis.

Robert Brown, Jack Mintz, and Thomas Wilson study how taxation affects the decision to remain private or go public. They show how Canadian tax law encourages firms to remain private because of a special capital gains exemption and special favorable treatment of retained active business income. They further submit that, relative to U.S. tax law, Canadian tax law discourages individuals from selling shares. These factors explain, in part at least, their empirical finding that a much greater share of private wealth is held in private companies in Canada than in the United States. Along with the Canadian exemption for intercorporate dividends and the wider use of dual class equity in Canada, this preference for private firms may explain the more complex corporate structures, often allowing private companies to control public ones, that characterize Canadian business.

The second set of papers, by Holderness and Sheehan (chap. 5), Mahoney (chap. 6), Rock and Wachter (chap. 7), and Bebchuk and Kahan (chap. 8), considers the consequences of a concentrated ownership structure in terms of the abilities of majority and minority shareholders to expropriate wealth. These papers have a primarily legal focus and are concerned with various issues that arise in the corporate governance of firms with concentrated ownership.

The paper by Clifford Holderness and Dennis Sheehan explores the argument of Fama and Jensen (1983) that, if majority owners were entirely free to expropriate money from minority shareholders, there would very soon be no minority shareholders. One interpretation of this hypothesis is that poor legal and institutional protection of minority shareholders in the United States leads to economic selection that culls dominant shareholder ownership structures. Holderness and Sheehan take issue with the view that U.S. laws are relatively ineffective at constraining controlling shareholders. They point out that a shortage of case law is consistent with both a totally ineffective law and a totally effective law. They cite three broad empirical regularities as support for their revisionist views.

that managerial ownership in a large sample of public U.S. companies rose from 13 percent in 1935 to 21 percent in 1995. This is consistent with the earlier findings (in Holderness and Sheehan 1988) of no systematic difference in $q$-ratios for firms with control stakes exceeding 50 percent and paired diffusely held firms. (It is, perhaps, at odds with Barclay, Holderness, and Pontiff [1993], which finds high managerial ownership associated with high discounts from net asset value in a sample of U.S.-traded closed-end funds.) Contrast these U.S. findings with those of Morck, Stangeland, and Yeung (chap. 11 in this volume) that diffuse ownership is more commonplace in Canada subsequent to that country's free trade agreement with the United States.

Second, Holderness and Sheehan point out that, if minority shareholders were open to easy abuse, firms seeking public investors might commit to restraining their dominant shareholders. The authors find little evidence of this. Outside directors, staggered boards, cumulative voting, audit committees, and compensation committees are all rarer in controlled than in diffusely owned U.S. firms, suggesting more limited board independence. Majority-owned firms also tend to have very few other large shareholders, and their directors (other than the owner) have little or no stock and so have little or no direct interest in the public share price. Majority-owned firms have unusually low debt ratios, suggesting a more limited monitoring role for banks or large debtholders. Majority-owned firms go to public capital markets less frequently and so are presumably exposed to less scrutiny by them. Majority-owned firms also pay lower dividends than paired diffusely owned firms. Finally, no pattern of changes in the organizational features listed above can be discerned among firms that become majority owned or cease to be majority owned.

Third, U.S. minority shareholders gain on average when their holdings are bought out by the dominant shareholder. Moreover, Holderness and Sheehan point out that these gains are broadly similar to the gains that shareholders of widely held firms receive on similar reorganizations. The authors conclude that U.S. law may not be a perfect restraint on improper behavior by control-block owners but that it probably is a binding constraint on such behavior.

Mark Huson's comments on the paper by Holderness and Sheehan are insightful. He argues that a dearth of institutional checks on majority owners is not evidence of the existence of other checks, pointing out that nonlethal parasites survive better than lethal parasites. If majority owners are nonlethal parasites, the firms that they control ought to survive. He suggests that the dispersion of value discounts across majority-controlled firms might be more informative than an average value discount relative to diffusely owned firms. If some majority owners add to public shareholder value by, say, effective monitoring while others destroy value by, say, self-dealing, the averages suggest no effect. Huson also takes issue
with using 50 percent as the threshold of control and adds that a finer classification of majority owners, into, say, heirs and founders, might also be interesting.

Paul Mahoney's paper models the interaction between majority and minority shareholders in close (privately held) corporations as a trust game. A shareholder in such a corporation in the United States can withdraw capital only with the consent of the majority of shareholders. This exposes the minority shareholder to opportunism by the majority shareholder. To avoid this, Hetherington and Dooley (1977) propose that minority shareholders be free to withdraw capital at will. Easterbrook and Fischel (1986, 1991) and O'Kelley (1992) point out that free exit might give rise to minority opportunism against the majority shareholder and argue that the exit rule should reflect a trade-off between majority and minority opportunism.

Mahoney uses his trust game model to show conditions under which majority opportunism does not “oppress” minority shareholders—the minority pays less for its stake because of the restrictions on exit. The trust game approach also suggests that, since a minority shareholder's withdrawal is at a judicially determined price, minority opportunism is not a credible threat unless judicial valuations are systematically biased. Given this, Mahoney explores other reasons for the survival of the majority-consent exit rule in the United States. He argues that abuse of minority shareholders by majority shareholders may well be effectively deterred in the United States by a combination of legal and nonlegal sanctions (such as family or social disapproval). Mahoney presents a detailed description of U.S. law in this area and argues that what some commentators have considered a greater degree of judicial intervention in close corporation governance is, in fact, nothing more than the application of a standard fiduciary duty principle to close corporations. Since, as manager, the majority shareholder can violate his fiduciary duty to the minority shareholder in the day-to-day operation of the firm, court attention must sometimes penetrate to that level.

The paper by Edward Rock and Michael Wachter is also about the laws governing majority oppression of minority shareholders in private corporations. But Rock and Wachter take a different approach. Rejecting the implicit comparison of close corporations to partnerships that supports much legal reasoning in this area, they propose an alternative analogy: the relationship between the majority and the minority shareholders in a close corporation is akin to an employment relationship with firm-specific human capital at risk.

Just as an employer and an employee both invest human capital in their relationship, the majority and minority shareholders both invest physical capital in a close corporation. Once the investment is made, both parties are locked in—by the sessility of firm-specific human capital in the employment relationship and by the laws restricting exit in a close corpora-
tion. This locked-in joint investment enforces a stable, long-term relationship by deterring opportunistic threats by the employee to quit or by the minority shareholder to "cash out."

If the majority shareholder is legally constrained to pay out only pro rata benefits, the inability of minority shareholders to cash out can be thought of as analogous to the "employment-at-will" doctrine. Rock and Wachter describe how employment contracts are best governed by this doctrine, whereby either party can terminate the employment relationship at will. This is because the cost of terminating the agreement, losing locked-in firm-specific human capital, deters opportunism. The authors argue that laws that lock in physical capital investments in close corporations serve the same purpose—to deter opportunistic threats to cash out.

The paper by Lucian Bebchuk and Marcel Kahan uses an adverse selection model in the style of Akerlof (1970) to illustrate clearly the difficulties that arise in determining a share value at which a controlling shareholder may freeze out minority shareholders. The model shows that, if the controlling shareholder can freeze out minority shareholders at the pre-freezeout market price of their stocks, the pre-freezeout market price is lower than what the minority shares would be worth were no freezeout possible. This is because the controlling shareholder will effect a freezeout when the market undervalues the minority shares but delay it when the shares are overvalued. Buyers of the minority shares capitalize the controlling shareholder's option to strategically time the freezeout into the share price, depressing it.

The fact that this option is valuable has important policy implications. The controlling shareholder has an incentive to gather and hoard information so as to increase the value of the option. He also has an incentive to skew capital investment toward projects that increase the information asymmetry between him and the minority shareholders, even negative net present value (NPV) projects. Finally, a freezeout option of this sort may create socially excessive incentives for wealthy people to become controlling shareholders.

The third set of papers in this volume—by Khanna and Palepu (chap. 9), Bebchuk, Kraakman, and Triantis (chap. 10), and Morck, Stangeland, and Yeung (chap. 11)—examines the political economy of concentrated corporate ownership.

Tarun Khanna and Krishna Palepu consider corporate groups in India, examples of stock pyramids with cross-holdings. They explain that monitoring firms in such groups is problematic for two reasons.

First, they point to a perceived lack of transparency in corporate groups. One factor in this lack of transparency is the apparent ease with which Indian group firms can shift income between each other via related-party transactions at artificial transfer prices or intercorporate lending
at nonmarket interest rates. Another is the equity cross-holdings among publicly traded group firms that block corporate control challenges and between public and private group firms that exacerbate transparency problems.

Second, the close connections between the families that control corporate groups and India's political elite may make monitoring group firms pointless. Khanna and Palepu explain that, until 1991, the Indian government instructed banks, almost all of which are state run, to maximize loans to the industrial sector, to refrain from divesting shares, and to support management. A series of bizarre laws made it very difficult for creditors to shut down failing firms, prevented competition among banks, and virtually guaranteed bank financing to government-approved entrepreneurs. Finally, banks themselves were not monitored. These factors conspired to mire India's industrial firms in political rent seeking. Khanna and Palepu write of "financial preemption," whereby businesses used political lobbying to deny financing to other businesses, and of "industrial embassies" maintained by prominent businesses in New Delhi. Since corporate groups can realize greater economies of scale in lobbying than independent firms can, they presumably benefited disproportionately from government largesse. Although some of this dysfunctional government policy has been cleaned up during the 1990s, the authors conclude that Indian corporate governance is still deficient.

Khanna and Palepu then present evidence consistent with Indian financial institutions being poor monitors and foreign financial institutions being good monitors. They also show that foreigners are relatively reluctant to invest in firms in corporate groups, especially groups that engage in frequent intercorporate intragroup financial transactions. This is consistent with transparency being an issue to foreign investors in India. Since emerging economies such as India are increasingly courting foreign investors, these results are clearly important.

The paper by Lucian Bebchuk, Reinier Kraakman, and George Triantis distinguishes true majority ownership from minority-block ownership that bestows complete control. Mechanisms to achieve the latter include stock pyramids, cross-holdings, and dual class equity structures, all of which are commonplace in large firms outside the United States. The authors discuss each in turn and then argue that these structures are likely to create agency costs an order of magnitude larger than those associated with true majority shareholders or with highly leveraged capital structures. Using very simple mathematics, the paper builds detailed treatments of agency problems associated with capital investment project choice, scope of operations, and control transfers.

Bebchuk, Kraakman, and Triantis concede that wealthy families with a reputation for fair dealing may be able to extend their control via such ownership structures. This should be especially true in economies with
weak legal systems and is therefore consistent with work by Khanna and Palepu (1997) that shows superior performance by Indian and Chilean firms in family-controlled stock pyramids.

Bebchuk, Kraakman, and Triantis then compare ownership structures that allow holders of minority blocks complete control with highly leveraged capital structures. Both allow control to be exerted with a relatively small stake, but high leverage is critically different (and better) in two ways. First, concerns about mezzanine financing and leveraged-buyout (LBO) shell companies aside, debtholders have priority rights to corporate cash flows. Second, creditors protect their interests by encumbering the debtor with restrictive covenants and other contractual obligations. Although they carefully hedge their bets, the authors suggest that sophisticated shareholders would prefer to invest in leveraged (minority-block-controlled) firms because debt might counter some of the agency problems associated with stock pyramids and the like. This hypothesis is consistent with the finding of Daniels, Morck, and Stangeland (1995) that firms in the Hees-Edper corporate group, the largest in Canada, have unusually high leverage.

The final paper, by Randall Morck, David Stangeland, and Bernard Yeung, investigates the relation between wealth concentration and economic growth across countries. My coauthors and I show that countries in which inherited billionaire wealth is large relative to GDP grow more slowly than do other countries at similar stages of development, with similar investment rates, and with similarly educated workforces. In contrast, countries in which self-made billionaire wealth is large grow faster than do otherwise similar countries.

My coauthors and I propose several possible explanations for our finding, using simple models where necessary. Since many large heir-controlled firms are members of stock pyramids, we argue that the extreme separation of ownership from control that occurs in such structures may impede corporate performance. We further argue that stock pyramids multiply the rent-seeking power of the wealthy families that control them and that these families might use their political clout to impede financing for entrepreneurial firms. We also argue that established billionaire families have a vested interest in preserving the economic status quo and so might try to frustrate innovation. Any or all of these factors could possibly slow economic growth.

To delve further into these explanations, we examine samples of narrowly and widely held Canadian firms. Firms controlled by wealthy heirs underperform other U.S. and Canadian firms the same age and size. In contrast, firms controlled by self-made entrepreneurs outperform their benchmarks. Heir-controlled firms also have lower labor-to-capital ratios than other firms the same age and size and in the same industries, consistent with other firms having more restricted access to capital. Heir-
controlled firms also spend less on research and development (R&D), consistent with a satisfaction with the economic status quo. High barriers against foreign direct investment are also associated with countries with large inherited wealth.

We use the term Canadian disease to denote widespread corporate control by entrenched wealthy families via stock pyramids etc., which slows economic growth. We argue that Canada’s economic growth may be impeded because its wealthy families restrict corporate control to relatives, use political connections to divert capital away from competitors, and avoid investments (such as R&D) that might upset the economic status quo. We suggest that, if the Canadian disease is prevalent throughout the world, it might explain our basic finding linking inherited billionaire wealth to slow economic growth.

Finally, we note that the Free Trade Agreement between Canada and the United States rendered Canada’s markets more competitive at a stroke. This event is especially useful because it was unexpected. The pro-free trade Conservative government had called an election to get a mandate for free trade, and was trailing badly in the polls, but, to everyone’s surprise, was returned with a majority. The share prices of heir-controlled Canadian firms fell relative to industry benchmarks on the news that free trade would go ahead, while those of companies controlled by self-made entrepreneurs rose. Under free trade, the fraction of Canadian firms that are widely held rose, and the labor-to-capital ratios of heir-controlled firms converged to their benchmarks. We argue that globalization might therefore be an effective treatment.

Concentrated Ownership

It is surprising how pervasive the assumption of diffuse ownership is in finance, law, accounting, and economics. Virtually everything we teach our students stems from this assumption. This tends to be almost as true outside as within the United States, for the most important standard textbooks in these fields are American.

Positive NPVs are a sensible capital budgeting test in a widely held firm. Concentrated ownership calls for a more carefully crafted test—reflecting effects on related corporations, effects on the utility levels of controlling shareholders and the value of public shares, and other things. At present, we have little guidance about how to operationalize capital budgeting decisions in firms with concentrated ownership.

Cumulative abnormal stock returns measure shareholder value creation and are used to distinguish good corporate governance from bad in many empirical studies. But microeconomics tells us that the owners of control blocks in large corporations should maximize their utility, not the value of the shares they hold. This does not render studies of abnormal returns
uninformative where corporate ownership is not diffuse. But it does mandate more care in basing normative conclusions about economic efficiency or the optimality of various outcomes on such studies. We know little about these issues.

Asset-pricing models, such as the capital asset-pricing model, the arbitrage pricing theory, and their numerous relatives, are all built on the assumption that investors are highly diversified. Where concentrated ownership is prevalent, the most critical controlling shareholder in each firm may be quite undiversified. Since this investor has control rights that let him influence corporate governance, capital budgeting, and numerous other aspects of corporate decision making, the firm's stock price surely must reflect his utility maximization as well as the portfolio value-maximizing behavior of diversified investors. Perhaps corporate groups of the sort described by Khanna and Palepu; Bebchuk, Kraakman, and Triantis; and Morck, Stangeland, and Yeung provide a countervailing effect by rendering controlling shareholders more diversified. We have little idea what an asset-pricing model should look like in a country where most or all firms have large undiversified controlling shareholders, control pyramids, etc. Despite their immediate importance in most countries, these problems have received remarkably scant attention from academics so far.

The studies gathered in this volume do not answer all, or even most, of the questions that surround concentrated corporate ownership. Our hope is that, by their incompleteness, they will encourage scholars in law, finance, and economics to pursue such questions more deeply. Certainly, its sweeping importance throughout the world, and in the United States, too, means that a constructive debate about the implications of concentrated corporate ownership for corporate and investor decision making will attract worldwide attention. It may also lead to a reconsideration of public policy in many countries.

References

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The Origins of Ownership Structure