Contents

Introduction / ix

Part I: Governance, Markets, and Law

1. The Limits of Financial Globalization / 3
   René M. Stulz

2. The Political Roots of American Corporate Finance / 17
   Mark J. Roe

3. International Corporate Differences: Markets or Law? / 41
   Frank H. Easterbrook

4. Explaining Differences in the Quality of Governance among Companies: Evidence from Emerging Markets / 52
   Art Durnev and E. Han Kim

Part II: Cross-Country Evidence on Governance Effectiveness and the Cost of Capital

5. Control Premiums and the Effectiveness of Corporate Governance Systems / 73
   Alexander Dyck and Luigi Zingales

6. Globalization, Corporate Finance, and the Cost of Capital / 106
   René M. Stulz

7. Which Capitalism? Lessons from the East Asian Crisis / 135
   Raghuram G. Rajan and Luigi Zingales
Part III: Country-Specific Evidence
on Ownership and Governance Structure

8. Corporate Governance in India / 151
   Rajesh Chakrabarti, William L. Megginson, and Pradeep K. Yadav

9. The Financial and Economic Lessons of
   Italy's Privatization Program / 177
   William L. Megginson and Dario Scannapieco

10. Changes in Korean Corporate Governance:
    A Response to Crisis / 196
    E. Han Kim and Woochan Kim

11. The Ownership Structure, Governance, and
    Performance of French Companies:
    Corporate Control and the Politics of Finance / 216
    Péter Harbula

12. Corporate Ownership and Control in the
    U.K., Germany, and France / 239
    Julian Franks and Colin Mayer

Part IV: The Role of Active Investors

13. London Business School Roundtable on
    Shareholder Activism in the U.K., Center for Corporate
    Governance, London, February 9, 2006 / 265

14. Leveraged Buyouts in the U.K. and Continental Europe:
    Retrospect and Prospect / 294
    Mike Wright, Luc Renneboog, Tomas Simons, and Louise Scholes

15. Sovereign Wealth Funds: A Growing
    Global Force in Corporate Finance / 327
    Shams Butt, Anil Shivdasani, Carsten Stendevad, and Ann Wyman

About the Contributors / 347

Index / 351