



LEADING RESEARCH WITH GLOBAL IMPACT

# ANNUAL REPORT

# 20 23

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EUROPEAN CORPORATE GOVERNANCE INSTITUTE

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# FOREWORD

2023 was a year marked by significant global events, technological advancements, and ongoing challenges in climate change and geopolitical tensions. In response, our network of members worked collectively to study, educate, lead, and manage these changes.

Reflecting on our research themes, ESG continued to dominate, accounting for half of the papers submitted to the ECGI Working Paper Series. These studies intertwined with topics such as boards, CEOs, compensation, banking, markets, private equity, stewardship, dual-class shares, and takeovers. While technology saw less focus in 2023, we anticipate a resurgence as AI continues to reshape business, academia, and society. An emerging theme was the intersection of politics and governance, reflecting the increasing impact of polarisation and geopolitics on corporate decisions. Climate change, responsible investment, and corporate purpose were the most featured themes in 2023, aligning with our broad umbrella initiative on Responsible Capitalism. The Financial Times highlighted that ECGI scholars *"produce some of the most widely read research on sustainability,"* a testament to our impactful work.


We are proud to share the many exciting activities that took place around our network. In 2023, we delivered 23 events, 146 working papers, 13 video conversations, numerous mini- interviews, 70 blog articles, 8 Responsible Capitalism newsletters, and 2 conference reports. Our community welcomed 100 new individual members, 4,107 new LinkedIn followers, and 1,168 new email subscribers. Our LinkedIn community now extends to over 11,000 followers. Thank you for reading, watching, attending, and recommending our content. Your engagement is invaluable, especially in an era of content overload.

Building on the successful launch of ECGI's Responsible Capitalism initiative at the end of 2022, we held a 3-day conference on 'Modern Capitalism and Corporate Purpose' in September 2023. This project generated hours of insightful interviews with academics and business leaders, and several provocative newsletters that explored fundamental questions on Responsible Capitalism.

Our achievements would not be possible without the interest and financial support of our members. We are particularly grateful to the institutions that support us, including many leading universities. Their contributions enable ECGI to grow with diverse perspectives and broad impact.

Lastly, I extend my sincere gratitude to all the volunteers who serve on committees, organise events, adjudicate submissions and prizes, publish research, speak at events, join boards, and provide financial and other support. ECGI is a collective effort, and we are proud to be part of such a dedicated community.

Please enjoy reading more about our activities in 2023, and we look forward to another exciting year ahead.



**MARCO BECHT**  
EXECUTIVE DIRECTOR

# ANNOUNCEMENT

## New ECGI Fellows

Towards the end of 2023, ECGI held an election within its group of Fellows to recognise individuals who have demonstrated scientific excellence or other outstanding achievements in the area of corporate governance and stewardship. The appointment of eight new Fellows was announced in January 2024, adding to ECGI's distinguished ranks. The new Fellows, who were drawn from academia in Europe and the United States, were elected by their peers, the existing Fellows of ECGI. The committee responsible for the process was chaired by Julian Franks, Professor of Finance at London Business School.



The eight new appointees were: **Alon Brav**, Bratton Family Distinguished Professor, Fuqua School of Business, Duke University; **Jill Fisch**, Saul A. Fox Distinguished Professor of Business Law, University of Pennsylvania Law School; **Mariassunta Giannetti**, Katarina Martinson Professor of Finance, Stockholm School of Economics; **Wei Jiang**, Asa Griggs Candler Professor of Finance, Emory University's Goizueta Business School; **Ulrike Malmendier**, Professor of Economics and Finance, University of California, Berkeley; **Curtis Milhaupt**, William F. Baxter-Visa International Professor of Law, Stanford Law School; **Holger Spamann**, Lawrence R. Grove Professor of Law, Harvard Law School; and **Laura Starks**, George Kozmetsky Centennial University Distinguished Chair, McCombs School of Business, University of Texas at Austin.

**The award of Fellow of the Institute is a significant honour collectively bestowed by the most recognised and accomplished scholars in the field. This year's appointees are long-deserving and representative of the best-in-class scholarship that ECGI is renowned for.**



**Julian Franks**

Professor of Finance at London Business School and ECGI Research Member

# PROJECT



**The ECGI Responsible Capitalism initiative aims to create a vibrant, global, interdisciplinary hub examining the crucial interactions between corporations, finance, government and society.**

ECGI, launched its Responsible Capitalism Initiative in October 2022 with the goal of answering key questions about the future of global capitalism. It aims to engage and assist policymakers and other constituencies in interpreting research findings and confronting their thinking with the best available evidence. It will enable the different parties to understand the academic evidence and draw practical conclusions and real-world, adaptable solutions. The initiative was central to ECGI activities throughout 2023.

## IN FOCUS

### **A new monthly newsletter about Responsible Capitalism**

In February 2023, ECGI introduced a monthly newsletters for ECGI subscribers. In each issue **Marleen Och** (KU Leuven) explores the evidence and complexities associated with the concept of responsible capitalism along with a monthly poll. Marleen is on a journey to get closer to the answers on hotly debated topics.



**Responsible Capitalism**  
Issue 1 | February 2023

**Issue 1** explored what responsible capitalism actually is, and what promises it holds.

**Issue 2** took a closer look at ESG and sustainability, guided by Elizabeth Pollman's paper 'The Making and Meaning of ESG'.

**Issue 3** addressed the difference between 'idiosyncratic stewardship' and 'systematic stewardship', where the motivation derives from a portfolio-level rather than firm-level view.

**Issue 4** saw Marleen discuss an influential, but often overlooked group of shareholders: Controlling shareholders.



**ESG & Sustainability**  
Issue 2 | March 2023



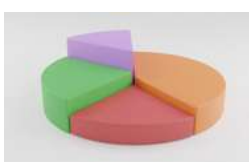
**Systematic Stewardship**  
Issue 3 | April 2023

**Issue 5** reflected on the question: if investors want to influence corporate outcomes in the presence of negative externalities, is it better to voice their concerns, or to exit through divestment?

**Issue 6** explored the new phenomenon of meme stocks and retail activism, asking whether this could be the beginning of a revolution in shareholder democracy?

**Issue 7** delved into the interwoven dynamics of gender equality, corporate leadership and sustainability.

**Issue 8** looked at the cautionary tale of DuPont and environmental damage, asking which mechanisms do we need to put an end to such harmful behaviour?



**Controlling Shareholders**  
Issue 4 | May 2023



**Exit or Voice? Time to take stock**  
Issue 5 | June 2023



**K-pop and meme stock**  
Issue 6 | September 2023



**Minding the Gender (eco) Gap**  
Issue 7 | October 2023



**Does it (still) pay off to pollute?**  
Issue 8 | November 2023

## IN CONVERSATION



The ECGI Conversation Series is part of the Responsible Capitalism initiative. The interview series was launched in November 2022 and is hosted by ECGI Executive Fellow, **Dr. Tom Gosling**.

ECGI Conversations is an informative and engaging platform to discover insights, ideas, and perspectives based on the latest and best academic research. New interviews are shared with ECGI subscribers regularly and published on the ECGI website and YouTube channel.

From November 2022 until December 2023, Tom conducted 24 engaging interviews.



**Oliver Hart**, (Nobel Laureate 2016, Lewis P. and Linda L. Geyser University Professor at Harvard University) shed light on his paper, "The New Corporate Governance", co-authored with Luigi Zingales.



**Carine Smith Ihenacho** (Chief Governance and Compliance Officer at Norges Bank Investment Management) shared insights on Responsible Capitalism, Responsible Investment and Fiducary Duty



**Luigi Zingales**, (Chicago Booth) talked about his recent paper "The New Corporate Governance", co-authored with Oliver Hart.



**Joon Hyug Chung** (Seoul National University) talked about his research "Law still matters – ESG in a corporate landscape controlled by chaebols".



**Curtis Milhaupt** (Stanford law School) explained his paper, "Shifting Influences on Corporate Governance: Capital Market Completeness and Policy Channeling", co-authored with Ron Gilson.



**Alex Edmans** (London Business School) did two interviews in one he shared insights on his book "Grow the Pie: How Great Companies Deliver Both Purpose and Profit" and in another he discussed his paper, "Diversity, Equity and Inclusion" co-authored by Caroline Flammer & Simon Glossner.



**Elizabeth Pollman** (University of Pennsylvania Carey Law School) talked about her award-winning paper "The Corporate Governance Machine" (Winner of the 2022 ECGI Law Prize), co-authored with Dorothy Lund.



**Luca Enriques** (University of Oxford) talked about his paper "Mandatory Corporate Climate Disclosures: Now, but How?", co-authored with John Armour and Thom Wetzer.



**Dr. Ellen Quigley** (Cambridge Centre for the Study of Existential Risk) discussed her paper 'Universal Ownership in Practice: A Practical Investment Framework for Asset Owners'. Winner of Best Paper for Potential Impact on Sustainable Finance Practices, GRASFI 2020.



**Holger Spamann** (Harvard Law School) reflected on whether corporate law can progress the need for a more stakeholder orientated business world.



**Henry Hansmann** (Yale University) talked about varying corporate ownership models and whether we need a different form of corporate governance to support a more responsible form of capitalism?



**Eric Talley** (Columbia Law School) shared insights on his recent survey, "Global Investor-Director Survey on Climate Risk Management".



**Kristin Van Zwieten** (University of Oxford) discussed her paper 'Bail-outs and Bail-ins are better than Bankruptcy: A Comparative Assessment of Public Policy Responses to COVID-19 Distress'.



**Mary Ellen Carter** (Boston College) talked about her paper "Say on ESG: The Adoption of Say-on-Pay Laws, ESG Contracting, and Firm ESG Performance", co-authored with Andrea Pawliczek and Rong (Irene) Zhong.



**Julian Franks** (London Business School) and co-author of the paper and study "The Benefits of Access: Evidence from Private Meetings with Portfolio Firms" shared his views on excess funds, Mosaic theory, engagement and more.



**Jill E. Fisch** (University of Pennsylvania Law School) shared insights on her paper "Corporate Democracy and the Intermediary Voting Dilemma", co-authored with Jeff Schwartz



**Edward Rock** (New York University) remarked on his paper "The Emergence of Welfarist Corporate Governance", co-authored with Marcel Kahan.



**Anete Pajuste** (Stockholm School of Economics, Riga) discussed her paper "Voice Through Divestment", co-authored by Marco Becht & Anna Toniolo.



**Wolf-Georg Ringe** (University of Hamburg) talked about his paper "Net-Zero Transition and Divestments of Carbon-Intensive Assets", co-authored by Alperen Gözlügül.



**Michelle Lowry** (Drexel University) talked about her paper 'Firms' Transition to Green: Innovation versus Lobbying', co-authored by Sungjoun Kwon & Michela Verardo.



**Dan Puchniak** (Singapore Management University) shared key points on his recent paper "No Need for Asia to be Woke: Contextualizing Anglo-America's 'Discovery' of Corporate Purpose".



**Jennifer Hill** (Monash University) explored the key findings from her paper, "Shareholder Engagement Inside and Outside the Shareholder Meeting", co-authored with Tim Bowley and Steve Kourabas.



**José Azar** (IESE Business School at the University of Navarra) remarked on his award-winning co-authored paper 'Revisiting the Anticompetitive Effects of Common Ownership'. Co-Author: Xavier Vives.

# THE ECGI BLOG

**A global voice on corporate governance, ESG, and stewardship**



Editors in Chief:

**Wei Jiang**

Asa Griggs Candler Professor of Finance  
Goizueta Business School  
Emory University

**Dan Puchniak**

Professor of Law  
Singapore Management University

Content Editor:

**George Dallas**

Head of Content, ECGI

Associate Editors:

**Dionysia Katelouzou**

Reader in Corporate Law  
Dickson Poon School of Law, King's  
College London

**Philipp Krueger**

Professor of Responsible Finance  
University of Geneva (GSEM, GFRI) & Swiss  
Finance Institute

Launched in February 2022, the ECGI Blog is a global voice on corporate governance, stewardship and corporate responsibility. It facilitates more timely scholarly reflection without the often long lead-in time and caveated restrictions associated with the publication of academic research. It complements the already successful ECGI Working Paper Series which is a reliable source of knowledge pertaining to the ecosystem and governance of the corporation, relating to law, finance and economics.

Through comment and analysis from the ECGI network and beyond, the Blog aims to enhance the wider understanding of related research, igniting and influencing global debate. The ECGI Blog focuses on selected themes with global interest throughout the year.

In 2023, the ECGI Blog published 68 articles from contributors around the ECGI global network, focusing on themes such as Responsible Capitalism, Technology & Governance, Climate Change, Corporate Purpose and more.



## FROM THE BLOG

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**Tom Vos**

Controlling shareholders have stronger incentives to think in the long term than other shareholders, due to the size and illiquidity of their participation, which exposes them to a larger extent to the long-term cash flows of the corporation.



**Umakanth Varottil**

Given the dominance of the controlling shareholders, institutional shareholders lack the wherewithal to influence managements on ESG matters in the same way they might be capable of doing in dispersed shareholding settings.



**Kim Willey**

Optional longer reporting timeframes are not an effective counter to stock market short-termism, and the evidence of the harms of stock-market short-termism does not justify further regulatory intervention.



**Joon Hyug Chung**

The existence of controlling shareholders in most listed companies hindered shareholder activism, and Korean asset managers who had existing business relationships with the chaebols, often supported the controlling parties.



**Jesse M. Fried**

While EU policymakers have not yet followed their American counterparts in imposing a tax on buybacks, the persistent confusion about capital flows creates an ongoing risk.



**Hao Liang & Jun Myung Song**

As seen in the Singapore case, government support and commitment is crucial for developing an economy's green finance capability and landscape, as companies and investors may not be incentivized to internalize environmental externalities.



**Mark Roe**

The system, the economy, and society are all short-term in putting too much carbon into the atmosphere, but individual companies and their stock market owners, for the most part, are not.



**Yupana Wiwattanakantang, Vikas Mehrotra, Lukas Roth, & Yusuke Tsujimoto**

Being included in the MSCI Empowering Women Index and investing in greater workforce gender diversity does not hurt shareholder value, an often-debated issue when it comes to greater investments in firms' social performance.



## FROM THE BLOG

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**Dan W. Puchniak**

Any chance of succeeding in changing the behavior of companies to benefit the environment will need to focus on changing the behavior of controlling shareholders in almost every Asian economy.



**David Schoenherr**

Does treating managers more harshly in bankruptcy improve firms' access to capital and boosts investment? Bankruptcy reform in South Korea sheds light on this question.



**Gen Goto**

The traditional Japanese corporate governance system had been paying attention to the interests of stakeholders, in particular employees, much before the current wave of ESG woke up Anglo-American companies.



**Lauren Yu-Hsin Lin**

We hypothesize that the effect of party-building reform on a firm's valuation depends on the trade-off between the benefits from increased state capture and the costs of state influence in firm governance, and that the enhanced political control costs are mitigated for firms with stronger existing political ties.



**Dan Puchniak**

Using an Anglo-American lens to understand jurisdictions in Asia misleads and autochthonous solutions should be the bedrock of corporate governance reforms for Asia in the future.



**Nathan de Arriba-Sellier**

While the first international sustainability disclosure standards have been already hailed by many, it is doubtful that they will deliver on the promise to provide high-quality, globally comparable information meeting the needs of investors.



**Sang Yop Kang**

Without fundamental changes to the economic and legal infrastructure in China, at least from a short- to mid-term perspective, a more active takeover regime will likely lead to potentially counterproductive outcomes.



**Stefanie Schacherer**

Taxonomies are standardisation tools, and as any other kind of standard-setting, they are not exactly neutral but bear distributive consequences.

## FROM THE BLOG

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**Max Götttsche, Florian Habermann,  
Max Kolb, Frank Schiemann, Theresa  
Spandel, Max Tetteroo**



Sustainability issues often have far-reaching consequences on the lives of individuals, communities, and the planet as a whole. Neglecting the impacts of financially-immaterial issues could lead to overlooking critical social and environmental concerns, undermining the very essence of sustainability reporting.



**Paulo Câmara**

It is very important that the areas of intersection are gradually extended so that companies applying IFRS Sustainability Disclosure Standards, GRI Standards or ESRs are certain that by applying one they comply with all of them. This requires continuous and extensive dialogue between standard-setters.



**Claudine Gartenberg**

Does pursuing purpose actually boost profits or is there a trade-off between the two? These questions get to the heart of the vigorous and important debate about the role of business in society. New research sheds light on a potential answer.



**Gaizka Ormazabal**

Just as ESG criteria have been criticized for being overly broad and amorphous, a measure of purpose could be noisy and manipulable.



**Judith Stroehle**

Radical prioritization is not just a tool of complexity reduction. It fundamentally is meant to aid complexity appreciation.



**Elizabeth Pollman**

When corporations publicly commit to pursuing stakeholder interests, there may be a perception that government intervention is not needed. This perception, in turn, could chill or impede efforts to obtain regulatory reforms.



**Rui Albuquerque & Luís Cabral**



We propose that there are problems that firms in isolation cannot solve, but that the combined action of firms in an industry might.



**Lucian Bebchuk**

Our view is that embracing stakeholderism can indeed hurt and can be counterproductive from the perspective of society and the very stakeholders that many of the stakeholderists would like to protect.

## FROM THE BLOG

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### **Douglas Cumming**

Leveraging insights from a comprehensive dataset encompassing nearly 182,000 global VC deals spanning the period from 2005 to 2020, our research underscores the multifaceted impact of top-tier law firms on deal success and performance.



### **Brian Broughman & Matthew Wansley**



After supplying capital, VCs need to motivate founders to implement the high-risk, high-reward strategies that can increase the company's potential for rapid, exponential growth.



### **Nadya Malenko**

As startups progress through their life cycle, the roles of major shareholders evolve, leading to a transformation in board composition. Changes in board control have many potential consequences for startup growth and success.



### **Kobi Kastiel & Yaron Nili**



In continuation funds, sponsors place themselves in a position where they are committed to two groups of investors whose interests are in direct conflict.



### **Paolo Giudici**

Many concomitant factors are needed to foster the development of an environment conducive to the growth of start-ups. Not enough attention seems to have been paid to corporate law.



### **Luca Enriques & Casimiro Nigro**



Bargaining in the shadow of the explicit and implicit mandatory provisions of Italian corporate law leads to the adoption of a contractual technology that is overall costlier and less effective than the US model.



### **Horst Eidenmüller & Javier Paz Valbuena**



If Siemens Gamesa had a sound business model, its shareholder or other private parties could be expected to support its operations with the necessary capital and assurances, lending against its anticipated revenue stream. The fact that no one was willing to do so suggests that Siemens Gamesa should be liquidated rather than rescued.



### **Caroline Escott**

The CP23/10 proposals would do nothing to tackle the actual barriers to a UK listing cited by companies, including the relative lack of tech expertise amongst the investor base.

# 2023 EVENTS

ECGI fosters engagement with its members and partners through a diverse array of dynamic events held across the globe. These include academic conferences, online lectures, and practitioner-academic gatherings, all serving as catalysts for stimulating discussions and debates that transcend geographic, industry, and disciplinary boundaries. While ECGI takes the lead in organising some of these events, we also collaborate with esteemed partner organisations to curate diverse insights and perspectives from gatherings worldwide. Explore our comprehensive event listing at: <http://ecgi.global/content/event-list>



## **gcmc** 2023 GLOBAL CORPORATE GOVERNANCE COLLOQUIUM

**Seoul National University hosted the Ninth Annual GCGC Conference.**



**16 – 17 JUNE 2023**

The Global Corporate Governance Colloquia (GCGC) is a global initiative to bring together the best research in law, economics, and finance relating to corporate governance at a yearly conference held at 12 leading universities in the Americas, Asia and Europe.

The 12 hosting institutions are:

Columbia University, Harvard University, Imperial College London, National University of Singapore, Peking University, Seoul National University, Stanford University, Stockholm University, University of Oxford, University of Tokyo, Yale University and Goethe University Frankfurt (Leibniz Institute for Financial Research SAFE and DFG LawFin Center).



The conference series attracts current research papers of the highest scholarly quality in the field of corporate governance. The conferences are primarily 'academic to academic' events with some participants from industry and the public sector including the practitioner partners of GCGC and other invited panelists. Japan Exchange Group (JPX) is a Practitioner Partner.

This in-person conference took place over two days. In addition to the research presentations, there were two panel discussions involving participants from industry and the public sector.

## INSIGHTS

The conference highlighted key developments in corporate governance, ESG practices, and the impacts of common ownership. Amongst a wide range of topics, the discussion emphasised the growing influence of institutional investors in shaping corporate strategies, particularly through common ownership and board interlocks. Research demonstrated that overlapping directors across competing firms can significantly impact managerial incentives, raising both competitive and collaborative concerns.

The role of ESG commitments was critically examined, revealing a trend towards the formalisation of voluntary corporate commitments into hard law, particularly in the EU and UK. However, this regulatory hardening raises potential risks, such as stifling innovation and complicating compliance for global firms.

The conference also addressed the debate over the effectiveness of governance transparency, particularly in emerging markets like Korea, where increased transparency within chaebols has shown mixed results on firm value. Additionally, the evolving dynamics of corporate governance in Japan, driven by policies like gender diversity in boards, were discussed as a model for empowering women in leadership.



## MODERN CAPITALISM & CORPORATE PURPOSE

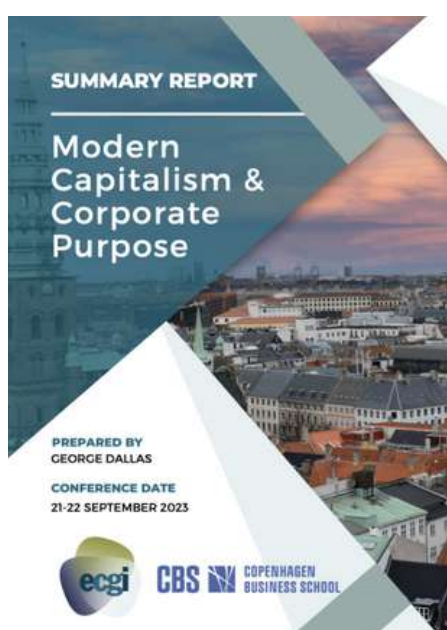


20 – 22 SEPTEMBER 2023

Copenhagen Business School and ECGI organised a three-day conference in Copenhagen, Denmark, convened by leading international academics and business leaders to address the central questions relating to corporate purpose and explore its impact on capitalism and sustainability. Following a workshop on corporate purpose designed for young scholars on the first day, there was a conference on the second day with five distinct panel sessions to consider different perspectives on corporate purpose. The final day included the ECGI General Assembly meeting, the 2023 Wallenberg Lecture, working paper prizes and a business session on corporate purpose in practice.



## INSIGHTS



**Management and Governance:** Effective corporate purpose must be clearly defined, integrated into the firm's strategy, and resonate throughout the organization. It should not be conflated with ESG, but rather it should connect with company strategy, policies, and business models while nurturing core values.

**Ownership:** Ownership structures play a significant role in shaping corporate purpose. Different structures, such as foundations, family businesses, and institutional investors, have varying impacts. Foundations are generally more likely to instill a robust corporate purpose, while family businesses may underperform regarding sustainability.

**Finance and Investment:** Investors, especially institutional ones, are crucial in supporting corporate purpose through stewardship activities. However, the idea of 'purpose before profit' can conflict with fiduciary duties. Stewardship codes help bridge this gap, allowing for a broader view of corporate purpose that includes ESG factors.

**Law:** Legal frameworks can either enable or hinder corporate purpose. Laws provide accountability for companies that create negative externalities and can support corporate purpose by ensuring legal consequences for misleading practices. Mechanisms such as shareholder inspection rights and whistleblowing facilitate this accountability.

**Measurement and Metrics:** Measuring corporate purpose is challenging but essential. Companies are developing new metrics, often linked to ESG, to gauge their impact on society and the environment. Standardized metrics are particularly needed for climate-related issues, whereas social issues may require more flexible, company-specific metrics.



## Young Scholars Workshop | 20 SEPTEMBER 2023

Part one of the Corporate Purpose event, aimed as a paper development workshop, explored the emerging research agenda that links corporate governance to purpose and sustainability. It shed light on how shareholders, boards, and managerial incentives address corporate purpose and sustainability. The workshop was primarily aimed at young scholars (PhD students, post-docs, assistant and associate professors) who are developing new work and are seeking to establish themselves in their profession. The workshop allowed them to discuss their work with leading professors in the field to further develop and strengthen their scholarship.

The workshop was organized by **Jette Steen Knudsen** (Fletcher School of Law and Diplomacy Tufts University and Copenhagen Business School) and **Steen Thomsen** (Center for Corporate Governance, Copenhagen Business School). **Ruth Aguilera** (D'Amore Kim Business School at Northeastern University) and **Bill Judge** (Old Dominion University and Terry McNulty University of Liverpool Management School) attended the workshop and provided feedback on papers.

## Perspectives on Corporate Purpose | 21 SEPTEMBER

Part two of the Corporate Purpose conference, brought together academics and practitioners to examine the opportunities and challenges presented by corporate purpose and the evidence of its contribution to business success, investor performance and broader societal and environmental interests. **Steen Thomsen** (Copenhagen Business School and ECGI) and **Colin Mayer** (University of Oxford and ECGI) welcomed the participants and introduced the conference.

**The purpose of the conference was both to take stock of where we are in the corporate purpose debate and to identify promising avenues for taking the field forward.**

”

**Steen Thomsen**

Professor and founding chairman of the Center for Corporate Governance, Copenhagen Business School and ECGI Research Member



**Corporate purpose is a hot but ‘disputed’ topic, and today’s conference is an exercise on whether corporate purpose is ‘foundational or fictional’, and to get to the heart of what a meaningful corporate purpose entails.**

”

**Colin Mayer**

Emeritus Professor of Management Studies at the Blavatnik School of Government and the Saïd Business School at the University of Oxford and ECGI Research Member



### Session 1: "Leading, Managing and Governing Corporate Purpose"

The session was chaired by **Jordi Canals** (IESE Business School), and panelists were **Ruth Aguilera** (Northeastern University), **Claudine Gartenberg** (Wharton School of the University of Pennsylvania) and **Juvenio Maeztu** (Deputy CEO and CFO, Ingka Ikea).



**Jordi Canals** framed the session's goal as to explore 'leading, governing and managing corporate purpose', both from an academic perspective and regarding the key practical challenges of implementing corporate purpose in practice.

**Claudine Gartenberg** presented her empirical research into corporate purpose, citing three inherent challenges: definition, measurement and distinguishing between correlation and causation.

**"Purpose and profit can go together, but this requires clarity of purpose and belief in a company's purpose in the middle ranks of the organisation."**

**Ruth Aguilera** then extended the discussion by considering who benefits from corporate purpose and how corporate purpose can be affected by differing institutional settings.

**"The Big Three are becoming more engaged with pushing portfolio companies to decrease emissions and more generally align to net zero strategies."**

**Juencio Maeztu** provided a practical case study of how corporate purpose is integrated across Ikea's business.

**"Nurturing the values of the organisation' as a moral compass to guide the practical implementation of company purpose, particularly in the 'grey areas'."**

## Session 2: "Corporate purpose and ownership"

The session was chaired by **Steen Thomsen** (Copenhagen Business School and ECGI), and panelists were **Morten Bennedsen** (Copenhagen Business School and ECGI), **Julian Franks** (London Business School and ECGI), **Majken Schultz** (Chair, Carlsberg Foundation) and **Thomas Thune Andersen** (Chair, Ørsted).



**Steen Thomsen** opened the session by asking whether there is an optimal form of ownership to promote corporate purpose.

**Majken Schultz** presented the case of the Carlsberg Foundation, which owns the brewer Carlsberg and stated that the foundation structure enables Carling to take a longer-term outlook and address important sustainability issuers.

**"A well-crafted corporate purpose can provide a competitive edge in terms of branding, talent acquisition and retention and stakeholder relations."**

**Thomas Thune Andersen** presented the example of a company with 50+% state ownership. He stated his view that ownership is critical in affecting company purpose.

**"The board and company management must 'own' purpose, but perhaps in different sequences. And then the company needs to present its purpose to investors and demonstrate how it aligns to company strategy."**

**Julian Franks** presented a co-written paper on the topic of how managers can manage their own company's ownership.

**"The internal management of ownership can be used to promote value enhancing outcomes and align ownership with purpose."**

**Morten Bennedsen** focused on purpose and family firms, noting that family ownership is the most dominant ownership form in the world.

**"A family legacy can have the effect of personalising purpose in ways that can be good or bad, but it can allow for agility in challenging times, as demonstrated by family firms' strong support of stakeholders during the Covid crisis."**

### Session 3: "Corporate purpose, finance and investment"

The session was chaired by **George Dallas** (ECGI), and panelists were **Franklin Allen** (Imperial College Business School and ECGI), **Guy Jubb** (Former Global Head of Governance and Stewardship, Standard Life Investments, and ECGI), **Dionysia Katelouzou** (King's College London) and **Claudia Kruse** (Managing Director, Global Responsible Investment & Governance, APG Asset Management).



**George Dallas** opened the session by observing that discussion of purpose and investment is a very logical follow-on from the prior session's focus on ownership and that institutional investment would be the focus of this session.

**Franklin Allen** observed that the traditional approach to market failures is for governments to impose regulation, but that does not always resolve every problem.

**"Corporate purpose is a 'private methodology' to encourage a desirable outcome for investors without the need for a political consensus."**

**Claudia Kruse** began her comments by noting that APG itself is a purpose-driven investment firm, focusing on the welfare of its beneficiaries.

**"APG is not a philanthropic organisation with its beneficiaries' pension assets but its investments must be balanced in the 'diamond' of risk, return, cost and sustainability."**

**Dionysia Katelouzou** focused on two key dimensions: stewardship codes and fiduciary duty.

**"Stewardship codes have the potential to fill the fiduciary gap left by hard law, enabling investors to adopt a more comprehensive view of company purpose."**

**Guy Jubb** described purpose as an anchor to help align and support ESG performance related to the company's purpose. This can be good for the longterm investor.

**"It is important for investors to have some degree of third-party assurance regarding how purpose is put into effect and the role of the AGM could be a practical opportunity for investors to engage the entire board."**

#### **Session 4: " Corporate law, regulation, ESG and purpose"**

The session was chaired by **Jennifer Hill** (Monash University and ECGI) and panelist were **Michal Barzuza** (University of Virginia and ECGI) **Christina Bruun Geertsen** (Managing Partner, Kromman Reumert) and **Elizabeth Pollman** (University of Pennsylvania and ECGI).



**Jennifer Hill** stated that this session aimed to explore the role of law in promoting company purpose and framed the session as an investigation into how law can play a constructive role in the corporate purpose debate.

**Elizabeth Pollman** began by observing that corporate purpose is not a new concept.

**“There is a long history of purpose clauses in corporate charters which enable corporate leaders to define their own purpose.”**

**Christina Bruun Geertsen** noted that some Danish foundations holding company shares have two purposes: a financial purpose and a broader social/philanthropic purpose.

**“Purpose statements tend to have ‘creative’ wording that gives boards considerable flexibility to act as they see fit (which can include paying attention to ESG topics).”**

**Michal Barzuza** suggested that management incentives have changed, given increasing demand from both investors and stakeholders for companies to be more ESG friendly.

**“CEOs face personal risk from cancel culture and boycotts, which can negatively affect CEO reputations and careers for those CEOs linked to bad ESG performance.”**

#### **Session 5: "Corporate purpose, measurement, and performance "**

The session was chaired by **Colin Mayer** (University of Oxford and ECGI) and the panelists were **Paolo Lanzaarotti** (CEO, Asahi Europe and International), **Gaizka Ormazabal** (IESE Business School and ECGI), **Karthik Ramanna** (University of Oxford) and **Judith Strohle** (University of St. Gallen).



**Colin Mayer** opened the session by observing that measurement is critical to make corporate purpose work in practice.

**Paolo Lanzaarotti** began by noting that Asahi Europe has been on a purpose ‘journey’ and raised the question of how corporate purpose relates to a brewery, including consideration of what problem is being ‘solved’ in a corporate purpose context.

**“Link relevant KPIs to the company’s purpose narrative in ways that can create top-down overarching metrics and goals.”**

**Gaizka Ormazabal** began his intervention by looking at the role of ESG metrics in executive compensation and the relation between sustainability reporting and financial reporting.

**“ESG metrics run the risk of being ‘fluffy’ or used by management as a way to ‘game’ their pay to increase bonus payments to executives.”**

**Karthik Ramanna** noted that there are several issues that might inhibit the application in financial reporting, including the potential financial ‘chicanery’ by companies to flatter their results.

**“If we are successful in bringing sustainability reporting to the required levels to allow for integration into financial statements that financial accounting will have a much greater impact on promoting real change than voluntary disclosure alone.”**

**Judith Stroehle** noted that the key challenge in measuring purpose is that we tend to want to measure ‘everything’ related to ESG—and that does not work, or at least does not always relate to financial outcomes. A strategic component is needed to reflect the material ESG drivers.

**“Looking at ESG simply through the lens of risk and opportunity is too limiting and can lose the notion of externalities and impact on supply chains and business models. We need to start with profit being regarded not as an end, but as a means for achieving purpose.”**

**Colin Mayer** and **Steen Thomsen** concluded Day 2 of the Corporate Purpose conference and thanked the speakers and participants and shared their concluding remarks.

## The 2023 ECGI Annual General Assembly | 22 SEPTEMBER 2023

Day 3 of the Corporate Purpose conference comprised the ECGI Annual General Meeting, the Working Paper Prizes, the distinguished Annual Wallenberg Lecture, and a Practice Session on Purpose. The ECGI AGM was a members-only meeting led by **Herman Daems** (Chair, ECGI), **Marco Becht** (Executive Director, ECGI), and **Elaine McPartlan** (General Manager, ECGI).



## ECGI Working Paper Prizes 2023

After the ECGI AGM, the awards for the two ECGI Working Paper Prizes were announced. **Jennifer Hill** (ECGI Research Committee and Monash University) chaired this session.

Sponsored by Intesa Sanpaola, the 2023 ECGI Finance Prize for the Best Paper in the ECGI Finance Working Paper Series was announced by **Mike Burkart** (Editor, ECGI Finance Series and London School of Economics) and **Matteo Boaglio** (Head of Institutional Special Projects and Policies, Intesa Sanpaolo).



## ECGI Finance Prize Paper Winner



**"Revisiting the Anticompetitive Effects of Common Ownership"** by **José Azar** (IESE Business School and ECGI) and **Xavier Vives** (IESE Business School and ECGI)

**"Common ownership by the "Big Three" (BlackRock, Vanguard and State Street) is associated with lower airline prices, while common ownership by shareholders other than the Big Three is associated with higher prices. ."**

The paper used the data from the U.S. airline industry to test the hypothesis, consistent with the general equilibrium oligopoly model of Azar and Vives (forthcoming), that inter-industry common ownership should be associated with lower prices in product markets. It finds that, as the model predicts, increases over time in intra-industry common ownership are associated with higher prices, while increases in inter-industry common ownership are associated with lower prices. The results highlight the limitations of partial equilibrium oligopoly theory in the context of common ownership and the need to consider a general equilibrium perspective.

The 2023 ECGI Law Prize for the Best Paper in the ECGI Law Working Paper Series was announced by **Amir Licht** (Editor, ECGI Law Series and Reichman University) .

## ECGI Law Prize Paper Winner



**"No Need for Asia to be Woke: Contextualizing Anglo America's 'Discovery' of Corporate Purpose"** by **Dan Puchniak** (Singapore Management University and ECGI)

**"The Anglo-American movement to push corporations around the world to be more purposeful is likely to have deleterious effects in Asia where corporations already tend to have too many purposes."**

The paper demonstrates that long before AngloAmerica's "discovery" of corporate purpose, Asia was already awake to it. It describes how Asia's most important and dynamic economies – which are the world's engine for economic growth – have been built on systems of corporate governance where corporate purpose and stakeholderism reign supreme. This positive claim has important normative implications. A proper understanding of the history of corporate purpose in Asia demonstrates that different jurisdictions have different understandings of the purpose that corporations should serve and that there is no one model that fits all. At any given time, each jurisdiction will be at a different point along the shareholder-primacy/ stakeholderism continuum. How this is achieved will vary from jurisdiction to jurisdiction and within each jurisdiction over time.



## The 2023 Wallenberg Lecture

The Wallenberg lecture was introduced by **Marco Becht** (ECGI) with an opening speech by **Peter Wallenberg** (Chair of the Board of Directors, The Knut and Alice Wallenberg Foundation). The Wallenberg Lecture was delivered by **Lucian Bebchuk** (Harvard University and ECGI) with discussion from **Elizabeth Pollman** (University of Pennsylvania and ECGI).



### Opening speech | "Purpose in the Wallenberg ecosystem"

**Peter Wallenberg**, one of the family's senior leaders, spoke about the Wallenberg family holdings. As the family is now in its sixth generation since the formation of the Wallenberg group, its own purpose is anchored in the Family Constitution, supported by family governance arrangements including a Family Council and a Family Assembly.



### The 2023 Wallenberg Lecture | “Stakeholder Governance and Stewardship”

**Lucien Bebchuk** presented three conceptions of capitalism: Friedmanesque Capitalism, Managerial Stakeholderism and Democratic Capitalism. He advocated Democratic Capitalism and framed it as focusing on law and regulation to address corporate externalities and sustainability issues rather than private ordering without regulation. He concluded that ‘the only game in town is strong government actions.’



**Elizabeth Pollman**, responding to Bebchuk’s lecture, questioned whether Friedmanesque Capitalism and Democratic Capitalism are mainly different labels for shareholder primacy. She also challenged the assumption that Managerial Stakeholders would discourage or inhibit needed regulatory change. Her final point was whether we need a better normative model to address the tensions between shareholders and stakeholders in corporate governance.

### Purpose in practice session

The conference's final session was moderated by **Colin Mayer** (University of Oxford and ECGI) and **Steen Thomsen** (Copenhagen Business School and ECGI). This session discussed how leading companies work with purpose, what it means in practice to be a purposeful company, how to avoid purposewashing and how corporate purpose can be rooted in corporate governance.

- **Lene Skole** (CEO, of The Lundbeck Foundation) spoke about Foundation Ownership and Purpose
- **Paolo Lanzarotti** (CEO of Asahi Europe and International) discussed the Purpose in a Beer Business
- **Jakob Topsøe** (Chair, Topøe Holding) focused on the Purpose in a Family Business
- **Hannah Köenig** (Co-Founder, Stapelstein) shared her views on the Purpose in a Start-Up
- **Génica Schäfgen** (DACH Manager, Ecosia) gave insights towards the Purpose in a Search Engine

**Marco Becht** (Executive Director, ECGI) concluded the three-day conference by sharing his insights and remarks.



# COLLABORATIONS

ECGI also provided organisational and communication support to events organised by ECGI Research Members during the year. These included the following events:

## 2023 Corporate Governance Symposium



17 MARCH 2023



The John L. Weinberg Center for Corporate Governance and the Department of Finance at the Lerner College of Business and Economics at the University of Delaware hosted its in-person 2023 annual corporate governance symposium in collaboration with the European Corporate Governance Institute (ECGI).

The symposium featured the two winning papers of the 2023 John L. Weinberg/IRRCi Research Paper Award competition, highlighting innovative research and including an award of USD 10,000. The winning papers were presented and discussed with the semi-finalist papers for the prize.



**The winners were:**

### **"Female Equity Analysts and Corporate Environmental and Social Performance"**

*Authors: Kai Li (University of British Columbia), Feng Mai (Stevens Institute of Technology), Gabriel Wong (Cardiff University), Chelsea Yang (University of British Columbia), and Tengfei Zhang (Rutgers University)*

**Tengfei Zhang** presented the paper, which was discussed by **Jie (Jack) He** (Terry College of Business, University of Georgia). **Mahsa Kaviani** (University of Delaware) chaired the session.

### **"Conflicting Fiduciary Duties and Fire Sales of VC-backed Start-ups"**

*Authors: Bo Bian (University of British Columbia), Yingxiang Li (University of British Columbia), and Casimiro A. Nigro (Goethe University)*

**Bo Bian** presented the paper which was discussed by **Kathleen Hanley** (Lehigh University). **Paul Laux** (University of Delaware) chaired the session.

### The following semi-finalist papers that were presented:

The co-authored paper, **Proxy Exempt Solicitation Campaigns** was presented by **Tracie Woidtke** (The University of Tennessee, Knoxville), followed by a discussion from **Peter G. Iliev** (Pennsylvania State University), and chaired by **Paul Laux** (University of Delaware).

The co-authored paper, **The Perils and Questionable Promise of ESG-based Compensation**, was presented by **Lucian A. Bebchuk** (Harvard University and ECGI), followed by a discussion from **Jeff Coles** (University of Utah) and was chaired by **Hamed Mahmudi** (University of Delaware).

In the Fast and Furious Session, chaired by **Laura Field** (University of Delaware and ECGI) included four presentations.

- **Anahit Mkrtchyan** (University of Massachusetts Amherst) presented the co-authored paper, "CEO Activism and Firm Value".
- **Yue Qiu** (Temple University) presented the co-authored paper, "Corporate DEI Culture Spillover".
- **Hoa Briscoe-Tran** (Ohio State University) presented the paper, "Do Employees Have Useful Information About Firms' ESG Practices?".
- **Aazam Virani** (University of Arizona) presented the co-authored paper, "Growth-promoting Bonuses and Mergers and Acquisitions".

The co-authored paper, "Socially Responsible Divestment", was presented by **Doron Levit** (University of Washington and ECGI), followed by a discussion from **Andrey Malenko** (University of Michigan and ECGI), and chaired by **Song Zhang** (University of Delaware).

The co-authored paper, "Proxy Voting and the Rise of ESG", was presented by **Enrichetta Ravina** (Federal Reserve Bank of Chicago and ECGI), followed by a discussion from **Pat Akey** (University of Toronto and ECGI), and chaired by **Mahsa Kaviani** (University of Delaware).

**Bruce Weber** (University of Delaware) and **Justin Klein** (University of Delaware) welcomed and introduced the conference, and **Fei Xie** (University of Delaware and ECGI) gave the conference's concluding remarks.

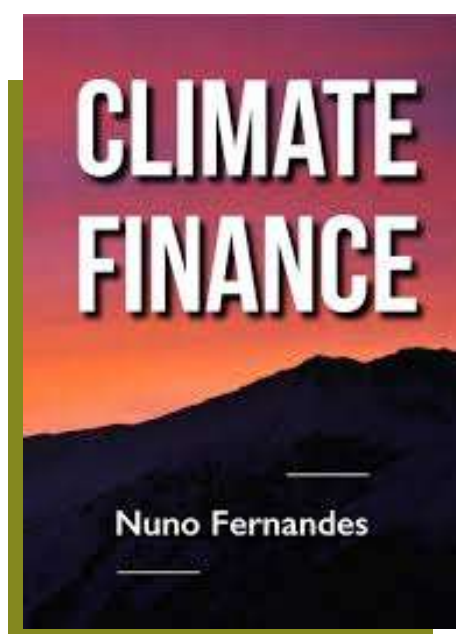
### Climate Finance: Book Launch and Dialogue with Leaders



**23 MARCH 2023**

**Nuno Fernandes** (IESE Business School and ECGI) launched his book, "Climate Finance, "in an online book launch event organised by ECGI.

He provided a comprehensive overview of his book, including the various facets of sustainability and climate-related financial issues. He also shared insights on sustainable finance topics and climate-related frameworks, balancing investor and corporate needs. Guest panelists, **Michel Demaré** (Chairman-elect of the Board of Directors of AstraZeneca, non-executive director of Vodafone), **Cristina Casalinho** (Managing director at Banco BPI) and **Patrick Bolton** (Imperial College London and ECGI) further discussed climate change's implications on financial markets and companies.



## 16th Annual Corporate Governance Academic Conference



14 APRIL 2023

RAJ & KAMLA GOPTA  
Governance Institute  
Center for Corporate Governance

**ecgi**

The Raj & Kamla Governance Institute at Drexel University hosted the 16th Annual Corporate Governance Conference in collaboration with the European Corporate Governance Institute (ECGI). The conference highlighted the profound research by top professors around the world on issues related to corporate governance and the boardroom.

The conference was divided into three sessions, each featuring three papers, an author presentation, and discussant remarks.

### Session one, “Environmental and Social Considerations”, was chaired by Laura Field (University of Delaware).

**Pedro Matos** (University of Virginia and ECGI) presented the paper, “Decarbonizing Institutional Investor Portfolios”, followed by a discussion by **Luke Taylor** (University of Pennsylvania).

*“Addressing the steep challenge posed by climate change and energy transition requires more than portfolio re-weighting that “greens a portfolio” but does not help “green the planet.”*  
- Pedro Matos

**Ran Duchin** (Boston College) presented the paper, “Sustainability or Greenwashing: Evidence from the Asset Market for Industrial Pollution”, followed by a discussion by **Pat Akey** (University of Toronto and ECGI).

*“The asset market allows firms to redraw their boundaries in a manner perceived as environmentally friendly without real consequences for pollution levels or production processes.”* - Ran Duchin

Edward Watts (Yale University) presented the paper, “Diversity Washing”, followed by a discussion by **Fabrizio Ferri** (University of Florida and ECGI).

*“Diversity-washing firms obtain superior scores from ESG rating organizations and attract investment from institutional investors with an ESG focus.”* - Edward Watts

### Session two, “Governance in Action”, was chaired by Simi Kedia (Rutgers University).

**Irene Yi** (University of Toronto) presented the paper, “Voting Rationales”.

*“The most important reasons behind opposing directors are board independence, board diversity, tenure, firm governance, and busyness.”*

**Marius Guenzel** (University of Pennsylvania) presented the paper, “CEO Social Preferences and Layoffs”.

*“New CEOs make more, and shareholder value-increasing, layoffs.”*

**Matthew Serfling** (University of Tennessee and ECGI) presented the paper, "Do Individual Directors Matter?"

***"Boards with higher DSQ make more value-increasing M&A deals, tie CEO compensation more closely to performance, produce more and higher quality innovation, and manage cash better."***

**Ilona Babenko** (Arizona State University) presented the paper, "Management (of) Proposals".

***"Managerial influence on the voting process is value-destroying."***

**Sangeun Ha** (Copenhagen Business School) presented the paper, "Motivating Collusion".

***"Decision makers with shorter horizons might deviate from collusive arrangements, making them unstable."***

**Marco Becht** (Universite Libre de Bruxelles and ECGI) presented the paper, "Voice Through Divestment".

***"Divestment is a form of voice that changes social preferences."***

Session three, Beyond Corporate Governance, was chaired by **Mike Weisbach** (Ohio State University and ECGI).

**Paul Decaire** (Arizona State University) presented the paper, "On a Spending Spree: The Real Effects of Heuristics in Managerial Budgets", followed by a discussion from **Tom Griffin** (Villanova University).

***"Managers with a budget surplus increase investment sharply before budget deadlines, and such investments yield lower sales, weaker margins, and more negative NPV projects."***

**- Paul Decaire**

**Katharina Lewellen** (Dartmouth University) presented the paper, "Control Without Ownership: Governance of Nonprofit Hospitals", followed by a discussion from **David Yermack** (New York University and ECGI).

***"Nonprofit governance structures lack the attributes that the literature has traditionally associated with 'good governance.'" - Katharine Lewellen***

**Joseph Kalmenovitz** (University of Rochester) presented the paper, "Closing the Revolving Door", followed by a discussion by **David Denis** (University of Pittsburgh).

***"Revolving regulators issue fewer rules and rules with lower costs of compliance."***

**- Joseph Kalmenovitz**



## Short-Termism in European Corporate Governance



30 MAY 2023

The Jean-Pierre Blumberg Chair at the University of Antwerp, Harvard Law School, and the European Corporate Governance Institute (ECGI) organised a conference on short-termism in European Corporate Governance, with the financial support of Gimv.

The conference's main goal was to improve the understanding of short-termism in corporate governance in Europe, as much of the current academic and societal debate on short-termism has focused on the US and UK. Focusing on European corporate governance is important, given that it differs in a few fundamental respects from corporate governance in the US and the UK, including the important role that large reference shareholders typically play in European corporate governance.

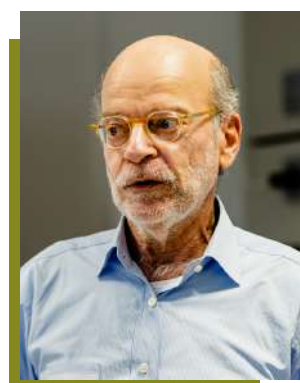
The conference started with a keynote from **Mark Roe** (Harvard Law School and ECGI) in which the issue of stock market short-termism was introduced. Roe argued that the problem of short-termism is inflated due to policymakers who conflate corporate short-termism with corporate social problems and that the empirical evidence on short-termism remains inconclusive.

**Policymakers should mainly focus on economy-wide data and not on the short-term behaviour of some individual companies in order to overcome the so-called “partial equilibrium” problem.**



**Mark Roe**

David Berg Professor of Law, Harvard Law School and  
ECGI Research Member



The keynote was followed by presentations from speakers and discussants who commented on different aspects of corporate governance and their positive or negative impact on short-termism. First, **Xavier Baeten** (Vlerick Business School) and **Holger Spamann** (Harvard Law School and ECGI) discussed executive compensation. They presented empirical evidence that illustrates the complex relationship between different remuneration schemes and a company's financial and ESG performance.

**An increased level of CEO remuneration is not necessarily problematic for the long-term orientation of a company.**



**Xavier Baeten**

Professor of Management Practice, Partner and Head of Business Development  
for the Netherlands at Vlerick Business School



**Executive compensation is an incentive scheme that tries to align the interests of managers and shareholders, and this, as with any other incentive scheme, will inevitably lead to some negative side effects.**

”

**Holger Spamann**

Lawrence R. Grove Professor of Law at Harvard Law School  
and ECGI Research Member



**Tom Vos** (University of Antwerp) and **Federico Cenzi Venezze** (Partner, Gatti Pavesi Bianchi Ludovici) then analysed the missing role of controlling shareholders in the short-termism debate. Tom Vos started the discussion by presenting two conceptual models that can explain the myopic behaviour of corporate managers. Cenzi Venezze discussed some policy implications following the hypothesis that controlled companies might reduce short-termism.



**The creation of a wedge between the cash flow rights and voting rights increases the risk of private benefit extraction, which in turn might be a source of short-termism.**

”

**Tom Vos**

Visiting professor at the Jean-Pierre Blumberg Chair at the University of Antwerp

**Financially constrained controlling shareholders might raise new capital to fund long-term investments given that they can remain in control due to the voting bonus.**

”

**Federico Cenzi Venezze**

Partner at Gatti Pavesi Bianchi Ludovici



Their discussion was followed by a panel discussion moderated by **Marieke Wyckaert** (KU Leuven) on loyalty shares. The panellists, **Marco Becht** (Solvay Brussels School and ECGI), **Jeroen Delvoie** (Vrije Universiteit Brussel), and **Chiara Mosca** (Bocconi University; Consob) presented empirical evidence on the use of loyalty shares in Italy and Belgium and agreed that loyalty shares are in practice mainly a control-enhancing mechanism that serves controlling shareholders.



For the second keynote, **Zacharias Sautner** (Frankfurt School of Finance & Management and ECGI) gave an overview of the empirical evidence on short-termism and concluded that although some indicators hint at a short-termism issue, there is no conclusive evidence of a systematic problem.



**Distrust in ESG products may lead to large ESG fund outflows, which can have large real effects on green firms.**

————— ” —————

**Zacharias Sautner**

Professor of Sustainable Finance at the University of Zurich and ECGI Research Member

The keynote was followed by presentations and discussions. **Sofie Cools** (KU Leuven) and **Anne Lafarre** (Tilburg University) analysed the role of shareholder activism in short-termism and corporate ESG performance.

**The mere presence of aggressive activist investors can put pressure on managers and thus be another cause of short-termism**

————— ” —————

**Sofie Cools**

Professor of corporate law, co-director of the Jan Ronse Institute for Company and Financial Law



**Although investor-led sustainability is unlikely to solve all sustainability problems, legislators should take the role of shareholders more seriously.**

————— ” —————

**Anne Lafarre**

Associate professor at Tilburg Law School and the Tilburg program director of the Joint Bachelor's Program in Data Science

**Jesse Fried** (Harvard Law School and ECGI) and **Theo Vermaelen** (INSEAD and ECGI) then critiqued the fixation of policymakers on shareholder payouts as proof of short-termism

**A better estimate of the shareholder-company capital-flow should include both shareholder payouts and equity issuances and thus look at net shareholder payouts.**

————— ” —————

**Jesse Fried**

The Dane Professor of Law at Harvard Law School. and ECGI Research Member





**Potential problems are not necessarily caused by stock buybacks as such, but rather by poor corporate governance.**

**Theo Vermaelen**

Professor of Finance at INSEAD

**Kim Willey** (Partner, ASW Law) and **Roy Shapira** (Harry Radzyner Law School and ECGI) questioned the efficiency of quarterly reporting reforms in the fight against short-termism.

**Ending quarterly reporting could insulate managers from the short-term market pressure, however, insulating managers is not effective given that executive compensation might still be tied to quarterly**

**—results—**

**Kim Willey**

Partner for ASW Law



**Given the increased tendency of real-time reporting by companies, reducing the frequency of financial reporting is not well suited to combat short-termism or sustainability-related issues.**

**Roy Shapira**

Associate Professor at Reichman (IDC) and ECGI Research Member

These discussions were followed by the final panel discussion moderated by **Charles-Antoine Leunen** (Partner, Linklaters). The panellists, **Hilde Laga** (Chair of the board at Gimv; non-executive director at Barco and ING Belgium), **Harold Boel** (CEO at Sofina; non-executive director at Cognita Schools, Mérieux NutriSciences and bioMérieux), **Thomas Leysen** (Chairman of the board at Umicore, Mediahuis and DSM) and **Rika Coppens** (CEO at House of HR; non-executive director at Colruyt, Euronext and La Lorraine Bakery) discussed, among other things, the tension between investors' short-term focus and companies' long-term vision, the role of controlling (family) shareholders and the impact of ESG parameters on corporate decision-making.



## Seventh Annual Mergers and Acquisitions Research Centre Conference



19 JUNE 2023

The Seventh Mergers and Acquisitions Research Centre (MARC) Conference was held at Bayes Business School, City, the University of London, in continued cooperation with the ECGI.

Over 70 leading practitioners and academics from the world of mergers and acquisitions (M&A) attended the conference. The papers presented at the conference are at the forefront of knowledge and of high academic rigour, as evidenced by a high acceptance rate in the top three academic journals in accounting and finance. Leading academics and practitioners discussed various issues and themes from the M&A world at the Conference. **Amanda Scott** (WTW) delivered the keynote speech, "What's 'the Deal': What's happened, what's happening, and what may happen—Market insights from the WTW M&A Barometer Survey."

**Economic instability is driving more than half of the organisations to review their M&A strategy**



**Amanda Scott**

Global M&A Leader at Willis Towers Watson (WTW)



- **Gordon M. Phillips** (Dartmouth College and NBER) presented the co-authored paper, Scope, Scale, and Concentration: The 21st century firm, which was discussed by **Andrey Golubov** (University of Toronto and ECGI)
- **Matthew Denes** (Carnegie Mellon University) presented the co-authored paper, Merger Waves and Innovation Cycles: Evidence from Patent Expirations, which was discussed by **Merih Seveilir** (European School of Management and Technology & Halle Institute for Economic Research - IWH and ECGI)
- **Antonio Macias** (Baylor University) presented the co-authored paper, Solving Serial Acquirer Puzzles, which was discussed by **Frederik Schlingemann** (University of Pittsburgh and ECGI)
- **Lubomir Litov** (University of Oklahoma) presented the co-authored paper, The Use of Escrow Contracts in Acquisition Agreements, which was discussed by **Audra Boone** (Texas Christian University and ECGI)
- **Tom Nohel** (Loyola University, Chicago) presented the co-authored paper, The Incentives of SPAC Sponsors, which was discussed by **Lakshmi Naaraayanan** (London Business School)
- **Jean-Marie Meier** (University of Texas) presented the co-authored paper, Tax Avoidance through Cross-Border Mergers and Acquisitions, which was discussed by **Jennifer Blouin** (Wharton School, University of Pennsylvania)
- **Micah Officer** (Loyola Marymount University and ECGI) presented the co-authored paper, Beyond Culture: How does international migration affect cross-border mergers and acquisitions? which was discussed by **Nickolay Gantchev** (University of Warwick and ECGI)

## The Law and Finance of Private Equity and Venture Capital



22-23 JUNE 2023



The DFG LawFin Center at the Goethe University in Frankfurt, the LSE Law School, the Faculty of Law of the University of Oxford, and the Institute for Law & Economics at the University of Pennsylvania, along with the Oxford Business Law Blog and ECGL, as part of the Oxford Business Law Blog Annual Conferences Series, organised the two-day annual conference “The Law and Finance of Private Equity and Venture Capital” at the University of Oxford.

The conference focused on academic research, with participation from relevant practitioners, industry representatives, and policymakers. The conference highlighted interdisciplinary research of the highest scholarly quality in the field of private equity (PE) and venture capital (VC), broadly defined, including topics such as PE/VC and corporate law, governance of PE/VC-backed firms, regulation of PE/VC funds, PE/VC and ESG/sustainability, comparative PE/VC law.

The organisers of the event were **Luca Enriques** (the University of Oxford and ECGL), **Jill E. Fisch** (Penn Carey Law, University of Pennsylvania and ECGL), **Geneviève Helleringer** (Essec Business School Paris, University of Oxford, and ECGL), **David Kershaw** (LSE Law School and ECGL), **Casimiro A. Nigro** (LawFin, Goethe University Frankfurt), **Elizabeth Pollman** (Penn Carey Law, University of Pennsylvania and ECGL), **Tobias H. Tröger** (LawFin, Goethe University Frankfurt, SAFE and ECGL) and **Simon Witney** (LSE Law School).

## A European Tribute to Henry Hansmann

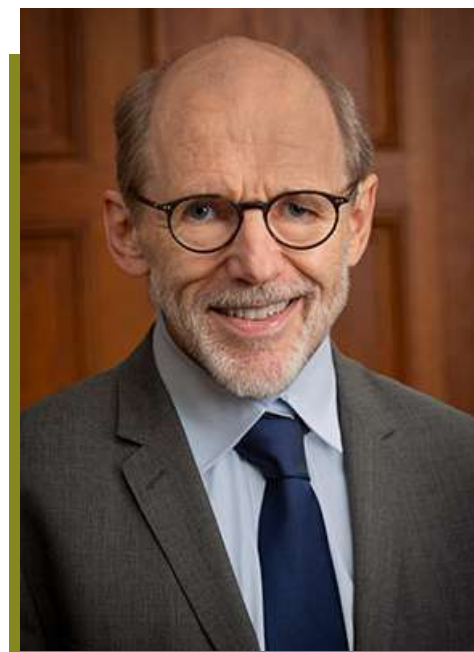


28 JUNE 2023



Universidad Pontificia de Comillas, Uría Menéndez, Fordham University, and ECGL organised an event that paid tribute to Henry Hansmann’s (Yale Law School) academic achievements and aimed to explore the broad influence of his work through a one-day seminar with presentations and discussions of original papers by professors of law, business, and economics. It was hosted by ICADE in Madrid.

**Henry Hansmann** is the Oscar M. Ruebhausen Professor Emeritus of Law at the Yale Law School. His scholarship through the years has made seminal contributions to the field of Corporate Law, helping advance our understanding of organizational forms and the structure of property rights. His work has been greatly influential for Corporate Law European scholars.



The speakers at the event were, **Rafael Sebastián Quetglas** (Co-director, Cátedra Uría), **Maria Gutierrez** (Universidad Carlos III and ECGI), **Andreas Engert** (Freie Universität Berlin and ECGI), **Maribel Saez** (Universidad Autónoma de Madrid and ECGI), **Mariana Pargendler** (Fundação Getulio Vargas (FGV) Law School and ECGI), **Sergio Gilotta** (University of Bologna), **Paloma Bilbao Calabuig** (Universidad Pontificia de Comillas), **Richard Squire** (Fordham Law School and ECGI), **Jonathan Lipson** (Temple Law School), **Amir Licht** (Radzyner Law School), **Carsten Gerner-Beuerle** (University College London and ECGI), **Fernando Gómez** (Universidad Pompeu Fabra and Uria Menéndez), Benito Arruñada (Universidad Pompeu Fabra), Marco Celentani (Universidad Carlos III),

## Resilience of family businesses during turbulent times



30 JUNE – 1 JULY 2023

Baltic Family Firm Institute, ECGI and Tartu University with support from Stockholm School of Economics, Riga, organised the conference, Resilience of family businesses during turbulent times in Tartu, Estonia.

As part of the Family Capitalism pillar of the ECGI's Responsible Capitalism initiative, the conference focused on how family-owned enterprises can harness their long-term vision and values to achieve stronger resilience during current challenges caused by inflation, geopolitical risks, supply chain crisis, and financial constraints. Family businesses often demonstrate higher flexibility during crisis, securing jobs and supporting their local communities. A diverse range of global family business experts offered their insights and practical guidance, while interactive workshops and networking sessions provided opportunities for attendees to connect and share experiences and best practices. In addition to highlighting next-generation family business representatives, the conference also addressed the complexities of family firm governance, emphasizing the unique challenges arising from intricate family, business, and ownership relationships.



☛ Keynote speakers **Morten Bennedsen** (University of Copenhagen, INSEAD, and ECGI), **Kimberly A. Eddleston** (Northeastern University), and **Alfredo De Massis** (Free University of Bolzano, IMD, and Lancaster University)—industry experts with years of experience and success in the family business field—shared their insights into family assets, family business strategies, and challenges.

☛ Panelists - **Mantas Makulavičius** (CEO, Milsa, Lithuania), **Simone Møkster** (Family Business Expert, Centre for Family Entrepreneurship and Ownership (CeFEO)), **Martin Schily** (Director Sunlight Pacific Limited and Member of the Supervisory Board of Voith Group, Germany), **Mihkel Tammo** (Leader of TIFC Family Office, Estonia), **Maija Treija-Kovāča** (IT & Business Development manager, Gemoss, Latvia) and **Paulius Vaicekaskas** (Managing Director, Rumsiskiu paukstynas, Lithuania) represented as the #nextgeneration of family business leaders, shared their experience and knowledge on “Family Enterprises Shaping the Future”. **Yupana Wiwattanakantang** (National University of Singapore and ECGI) and **Ernesto Bordans** (Livonia Partners) moderated the panel discussion.

☛ Practitioner track featured interactive and informative workshops led by family business experts - **Santa Rubina** (Sorainen), **Wendy Ulaszek** (Landsberg Gersick Advisors), **Christos Christou** (Emerging Energy Partners Limited), **Anete Marhele** (Eversheds Sutherland Bitāns), **Kimberly Eddleston** (Northeastern University), **Alfredo De Massis** (Free University of Bolzano, IMD and Lancaster University), **Rūta Gadeliauskaitė** (INVL Family Office) followed by a keynote speech by **Ivars Bergmanis** (ViaClarus OÜ).

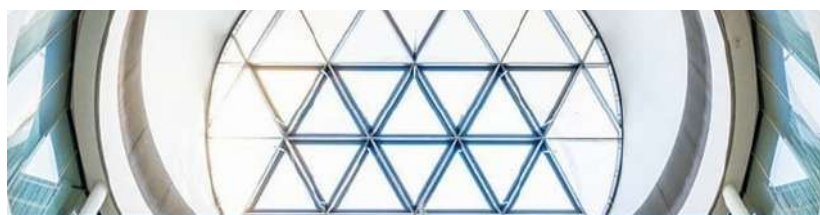
☛ Academic sessions presented and discussed the latest research on family business topics by scholars from around the world - **Yupana Wiwattanakantang** (National University of Singapore and ECGI), **Andrew Ellul** (Indiana University and ECGI), **Bogdan Stacescu** (BI Norwegian Business School), **Janis Berzins** (Norwegian Business School), **Ivan Miroshnychenko** (IMD - International Institute for Management Development), **Ruth Rooz** (Tel Aviv University), **Anna Tilba** (Durham University), **Mario Daniele Amore** (Bocconi University and ECGI), **Felix Meschke** (The University of Kansas), **Halit Gonenc** (University of Groningen) and **Morten Bennedsen** (University of Copenhagen and ECGI).

During the conference, the Baltic Family Firm Champions 2023 award ceremony recognized and celebrated outstanding family businesses for demonstrating characteristics of global family firm champions and for their contributions and impact on the economy and society.

**Below are the winners:**



## The Law and Finance of Private Equity and Venture Capital



10 NOVEMBER 2023

The Corporate Law Roundtable organised by the London School of Economics (LSE) Law School, BYU Law, University of Wisconsin and ECGI was held in London, UK.

It gathered leading policymakers, jurists, scholars, and practitioners from Europe and North America to discuss the most pressing corporate law and governance issues of the day. The day-long event included the latest academic research presentations, a morning panel on listing rule reform, and keynote remarks from Vice Chancellor **Lori Will** of the Delaware Court of Chancery.



## The Boundaries of Corporations' Responsibility



10 NOVEMBER 2023

University College London (UCL), Faculty of Laws and ECGI organised the Biennial Law and Ethics Symposium, The Boundaries of Corporations' Responsibility in UCL, London.

It gathered leading policymakers, jurists, scholars, and practitioners from Europe and North America to discuss the most pressing corporate law and governance issues of the day. The day-long event included the latest academic research presentations, a morning panel on listing rule reform, and keynote remarks from **Ernest Lim**, Professor and Vice Dean at the Faculty of Law, National University of Singapore (NUS) on, "The Government Controlling Shareholder as a Fiduciary: Implications for Climate Change Management and Litigation".

The speakers shared their insights on the debates regarding corporations' roles in detecting and preventing risk caused by third parties to which they are related. These risks, which the Symposium terms as 'boundary risks', often take place beyond the firm's structural or control boundaries, but for which the firm may be regarded as having some extent of responsibility. The discussion also circled around the pertinent legal frameworks relating to corporations' 'boundary risks' including mandatory corporate due diligence duties, criminal legislation and public enforcement, civil enforcement and corporate liability, including enterprise liability, and the soft law/best practices relating to corporations' own risk and reputational management.

## Workshop on "Corporate Purpose"



27 NOVEMBER 2023



The "Corporate Purpose" workshop in Singapore was jointly organised by SMU's Lee Kong Chian School of Business and SMU's Centre for Commercial Law in Asia of the Singapore Management University (SMU) in partnership with the ECGI and supported by the Singapore Green Finance Centre.

With a focus on corporate purpose, **Caroline Flammer** (Columbia University and ECGI) and **Dan Puchniak** (Singapore Management University and ECGI) answered the related questions and explained the *raison d'être* of corporations in society. They also discussed whether companies should pursue anything other than profits and whether corporate purpose was different across jurisdictions. The workshop was moderated by **Hao Liang** (Singapore Management University and ECGI).



## 4th Annual Boca-ECGI Corporate Finance and Governance Conference



09-10 DECEMBER 2023

Florida Atlantic University and ECGI organised its 4th Annual Boca-ECGI Corporate Finance and Governance Conference. The two-day conference was hybrid, held at Florida Atlantic University in Boca Raton, Florida, and virtually.

The conference had three tracks, (A), (B), and (C) and offered an interdisciplinary forum to gain feedback on timely working papers from scholars in finance, entrepreneurship, innovation, international business, law, management and accounting disciplines. Day two also included a keynote speech by **Thorsten Beck**, Director of the Florence School of Banking and Finance and Professor of Financial Stability at the European University Institute, and Co-Editor of the Journal of Banking and Finance and the award announcements.

- The Review of Corporate Finance Award was awarded to **Berger, Allen N** (University of South Carolina and University of Pennsylvania and European Banking Center, Tilburg), **Tanakorn Makaew** (University of Southern California), & **Rima Turk-Ariss** (International Monetary Fund), for their paper, "Who Pays for Financial Crises? Price and Quantity Rationing of Publicly-Listed and Privately-Held Borrowers," for the best paper published in the Review of Corporate Finance (Volume 3 Issues 1-4, 2023), including \$1000. It was sponsored by Now Publishers.
- Conference Awards for the two best papers (\$300 each) and 2 best discussants (\$200 each) awards, sponsored by the Institute for Humane Studies, were awarded as follows:



### *Best Paper Awards:*

-“Public Listing Choice with Persistent Hidden Information”: **Francesco Celentano** (University of Lausanne) and **Mark Rempel** (University of Toronto)

-“The Value of Openness”: **Joshua Della Vedova** (University of San Diego), **Stephan Siegel** (University of Washington) and **Mitch Warachka** (Chapman University).

### *Best Discussant Awards:*

**Jonathon Zytnick** (Georgetown University) and **Tanja Kirmse** (Miami University)


Plaques were provided by the British Academy of Management Corporate Governance Special Interest Group.




## Online Public Lecture Series on Corporate Governance




The Institute for Corporate Governance (ICG) at the Kelley School of Business, in partnership with the Ostrom Workshop at Indiana University and ECGI, held its public lecture series on corporate governance.

- 


**19 JANUARY**

**Cryptocurrency, Blockchain, and their Governance Implications**  
**Vivian Fang** (Carlson School of Management, University of Minnesota and ECGI) delivered the eleventh lecture in this series, moderated by **Kristoph Kleiner** (Kelley School of Business, Indiana University).
- 


**09 FEBRUARY**

**Executive Compensation**  
**Mary Ellen Carter** (Carroll School of Management, Boston College and ECGI) delivered the twelfth lecture in this series, moderated by **Brian P. Miller** (Kelley School of Business, Indiana University).
- 


**02 MARCH**

**Climate Risk and Institutional Investors**  
**Laura Starks** (McCombs School of Business, The University of Texas at Austin, and ECGI) delivered the thirteenth lecture in this series, moderated by **Marco Becht** (Solvay Brussels School for Economics and Management at Université libre de Bruxelles, and ECGI).
- 


**30 MARCH**

**CoCo Bonds: Are They Debt or Equity? Do They Help Financial Stability?**  
**Zhenyu Wang** (Kelley School of Business, Indiana University) delivered the fourteenth lecture in this series, moderated by **Kristoph Kleiner** (Kelley School of Business, Indiana University).
- 

**06 APRIL**

**Corporate Culture and Future Directions**  
**Kai Li** (UBC Sauder School of Business, University of British Columbia and ECGI) delivered the fifteenth lecture in this series, moderated by **Ankit Kalda** (Kelley School of Business at Indiana University).
- 

**04 MAY**

**The Ethics of Consumer Choice**  
**Neeru Paharia** (W. P. Carey School of Business, Arizona State University) delivered the sixteenth lecture in this series, moderated by **Vivek Astvansh** (Kelley School of Business, Indiana University).
- 

**14 SEPTEMBER**

**CEO Markets: Public vs Private Firms**  
**Dirk Jenter** (London School of Economics and ECGI) and **Steven Kaplan** (Chicago Booth and ECGI) delivered the seventeenth lecture in this series, moderated by **Jun Yang** (Institute for Corporate Governance, Indiana University and ECGI).



05  
OCTOBER

### Shareholder Voting

**Nadya Malenko** (Boston College and ECGI) delivered the eighteenth lecture in this series, moderated by Fabrizio Ferri (University of Miami and ECGI).



09  
NOVEMBER

### CEO Activism

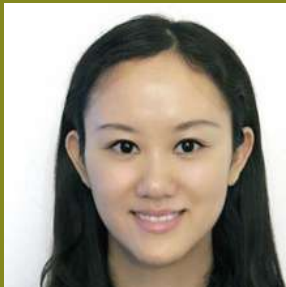
**Jason Sandvik** (University of Arizona, Eller College of Management) delivered the nineteenth lecture in this series, moderated by **Jun Yang** (Kelley School of Business, Indiana University and ECGI).



07  
DECEMBER

### Greenwashing and ESG Investing at a Crossroads

**Pedro Matos** (University of Virginia Darden School of Business & ECGI) delivered the twentieth lecture in this series, moderated by **Janet Gao** (Georgetown University).



# 2023 WORKING PAPERS

In 2023, ECGI's 381 research members published 146 ECGI Working Papers on corporate governance and stewardship-related topics. One of ECGI's main roles is to disseminate this research output to a variety of audiences using different formats and tools. All working papers are available on the ECGI website.

Topics featured in 2023 included Responsible Investment, Climate, ESG, Boards, CEOs, Capital Markets, Common Ownership, Corporate Purpose, Bankruptcy, Diversity, Remuneration, Private Equity & Venture Capital, Dual Class Share, Voting, Corporate Governance, and more.

## Corporate Objectives and Stakeholders

### How Much Do Investors Care About Social Responsibility?

Scott Hirst (Boston University, Harvard University and ECGI), Kobi Kastiel (Tel Aviv University, Harvard Law School and ECGI), Tamar Kricheli-Katz (Tel Aviv University)  
Law Working Paper N° 674/2023

### Purpose, Profit and Social Pressure

Fenghua Song (Pennsylvania State University), Anjan Thakor (Washington University in St Louis, FTG, MIT LFE and ECGI) Robert E. Quinn (University of Michigan)  
Finance Working Paper N° 881/2023

### Corporate Social Responsibility through Shareholder Governance

Robert P. Bartlett (University of California), Ryan Bubb (New York University and ECGI)  
Law Working Paper N° 682/2023

### The Emergence of Welfarist Corporate Governance

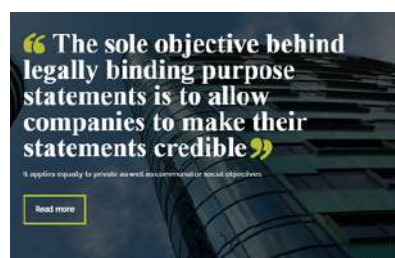
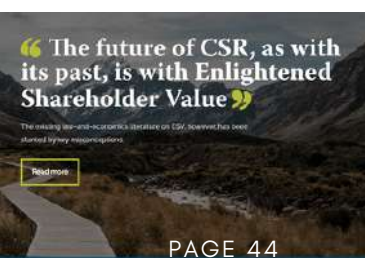
Marcel Kahan (New York University and ECGI), Edward Rock (New York University and ECGI)  
Law Working Paper N° 683/2023

### Firm Value versus Social Value: Dealing with the Trade-offs

Guido Ferrarini (University of Genoa, ECLE, EUSFiL and ECGI)  
Law Working Paper N° 686/2023

### Corporate Purpose and Stakeholder Value - Historical, Economic and Comparative Law Remarks on the Current Debate, Legislative Options and Enforcement Problems -

Klaus J. Hopt (Max Planck Institute for Comparative and International Private Law and ECGI)  
Law Working Paper N° 690/2023



### What Purpose Do Corporations Purport? Evidence from Letters to Shareholders

Raghuram Rajan (University of Chicago, NBER and ECGI), Pietro Ramella (University of Chicago), Luigi Zingales (University of Chicago, NBER, CEPR and ECGI)  
Finance Working Paper N° 904/2023

### The Purpose of Corporate Purpose Statements: A Response to “Shareholder Voice and Corporate Purpose: The Purposeless of Mandatory Corporate Purpose Statements” by Paul Davies

Colin Mayer (University of Oxford and ECGI)  
Law Working Paper N° 694/2023

### How Twitter Pushed Stakeholders Under The Bus

Lucian A. Bebchuk (Harvard Law School, NBER and ECGI), Kobi Kastiel (Tel Aviv University, Harvard Law School and ECGI), Anna Toniolo (Harvard University)  
Law Working Paper N° 704/2023

### Corporate Purpose

Dorothy S. Lund (University of Southern California and ECGI), Elizabeth Pollman (University of Pennsylvania and ECGI)  
Law Working Paper N° 711/2023

### The Past, Present and Future of Corporate Purpose

Brian R. Cheffins (University of Cambridge and ECGI)  
Law Working Paper N° 713/2023

### Shareholder Primacy versus Shareholder Accountability

William W. Bratton (University of Pennsylvania and ECGI)  
Law Working Paper N° 716/2023

### Compliance Gatekeepers

Roy Shapira (Reichman University (IDC), University of California at Berkeley and ECGI), Asaf Eckstein (Hebrew University of Jerusalem)  
Law Working Paper N° 717/2023

### Corporate Law in the Global South: Heterodox Stakeholderism

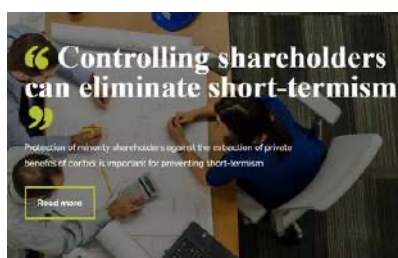
Mariana Pargendler (Fundação Getulio Vargas Law School, New York University and ECGI)  
Law Working Paper N° 718/2023

### Corporate Governing: Promises and Risks of Corporations as Socio-Economic Reformers

Matteo Gatti (Rutgers University and ECGI)  
Law Working Paper N° 730/2023

### The Law of Social Enterprises: Surveying a New Field of Research

Holger Fleischer (Max Planck Institute for Comparative and International Private Law and ECGI), Matthias Pendl (Max Planck Institute for Comparative and International Private Law)  
Law Working Paper N° 736/2023



### **ESG and Director's Duties: Defining and Advancing the Interests of the Company**

Luh Luh Lan (National University of Singapore and ECGI), Walter Wan (National University of Singapore)

Law Working Paper N° 737/2023

### **Corporate Purpose Beyond Borders: A Key to Saving Our Planet or Colonialism Repackaged?**

Roza Nurgozhayeva (Nazarbayev University, National University of Singapore and Cornell Law School), Dan W. Puchniak (Singapore Management University and ECGI)

Law Working Paper N° 744/2023

### **Toward a Dynamic View of Corporate Purpose**

Dorothy S. Lund (Columbia University and ECGI)

Law Working Paper N° 746/2023

### **ESG: A Panacea for Market Power?**

Philip Bond (University of Washington), Doron Levit (University of Washington and ECGI)

Finance Working Paper N° 947/2023

## **Responsible Investment**

### **Are All ESG Funds Created Equal? Only Some Funds Are Committed**

Michelle Lowry (Drexel University and ECGI), Pingle Wang (University of Texas at Dallas), Kelsey D. Wei (University of Texas at Dallas)

Finance Working Paper N° 874/2023

### **Revealed Beliefs about Responsible Investing: Evidence from Mutual Fund Managers**

Vitaly Orlov (University of St. Gallen and Swiss Finance Institute), Stefano Ramelli (University of St. Gallen and Swiss Finance Institute), Alexander F. Wagner (University of Zurich, Swiss Finance Institute, CEPR and ECGI)

Finance Working Paper N° 883/2023

### **Meme Corporate Governance**

Dhruv Aggarwal (Northwestern University), Albert H. Choi (University of Michigan and ECGI), Yoon-Ho Alex Lee (Northwestern University)

Law Working Paper N° 681/2023

### **Do Employees Have Useful Information About Firms' ESG Practices?**

Hoa Briscoe-Tran (Ohio State University)

Finance Working Paper N° 907/2023

### **What's in a Name? ESG Mutual Funds and the SEC's Names Rule**

Jill E. Fisch (University of Pennsylvania and ECGI), Adriana Z. Robertson (University of Chicago and ECGI)

Law Working Paper N° 697/2023



## Walk the Green Talk? a Textual Analysis of Pension Funds' Disclosures of Sustainable Investing

Rob Bauer (Maastricht University, ECCE and ECGI), Dirk Broeders (De Nederlandsche Bank and Maastricht University), Annick van Ool (De Nederlandsche Bank and Maastricht University)

Finance Working Paper N° 911/2023

## Net-Zero Transition and Divestments of Carbon-Intensive Assets

Alperen A. Gözlügöl (Leibniz Institute for Financial Research SAFE), Wolf-Georg Ringe (University of Hamburg, University of Oxford, EBI and ECGI)

Law Working Paper N° 706/2023

## Shareholder Engagement Inside and Outside the Shareholder Meeting

Tim Bowley (Monash University), Jennifer G. Hill (Monash University and ECGI), Steve Kourabas (Monash University)

Law Working Paper N° 709/2023

## Does Paying Passive Managers to Engage Improve ESG Performance?

Marco Becht (Solvay Brussels School of Economics and Management, Université libre de Bruxelles, CEPR and ECGI), Julian R. Franks (London Business School, CEPR and ECGI), Hideaki Miyajima (Waseda University and RIETI), Kazunori Suzuki (Waseda University and ECGI)

Finance Working Paper N° 922/2023

## The Dialogue Between Corporations and Institutional Investors: An Introduction

Luca Enriques (University of Oxford, European Banking Institute and ECGI), Giovanni Strampelli (Bocconi University)

Law Working Paper N° 725/2023

## Do Consumers Care About ESG? Evidence from Barcode-Level Sales Data

Jean-Marie Meier (The Wharton School, University of Pennsylvania, and University of Texas at Dallas), Henri Servaes (London Business School, CEPR and ECGI), Jiaying Wei (Southwestern University of Finance & Economics), Steven Chong Xiao (University of Texas at Dallas)

Finance Working Paper N° 926/2023

## ESG Ratings—Guiding a Movement in Search for Itself

Andreas Engert (Freie Universität Berlin and ECGI)

Law Working Paper N° 727/2023

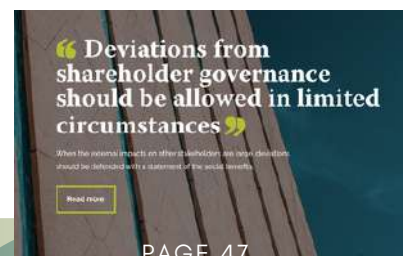
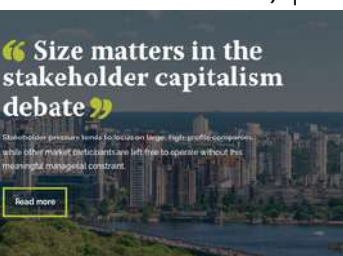
## Stewardship and ESG in Europe

Guido Ferrarini (University of Genoa, ECLE, EUSFiL and ECGI), Michele Siri (University of Genoa and EUSFiL)

Law Working Paper N° 743/2023

## Imposing Sustainability Disclosure on Investors: Does it Lead to Portfolio Decarbonization?

Jiyuan Dai (University of Navarra), Gaizka Ormazabal (IESE Business School, CEPR and ECGI), Fernando Penalva (University of Navarra and ECGI), Robert A. Raney (University of Navarra) | Finance Working Paper N° 945/2023



## Common Ownership

### Equal Ownership

Ofer Eldar (University of California at Berkley and ECGI), Rory Van Loo (Boston University and Yale University)

Law Working Paper N° 677/2023

### Common Ownership, Competition, and Corporate Governance

Vincenzo Denicolò (University of Bologna), Fausto Panunzi (Bocconi University, CEPR and ECGI)

Finance Working Paper N° 927/2023

### Rethinking Acting in Concert: Activist ESG Stewardship is Shareholder Democracy

Dan W. Puchniak (Singapore Management University and ECGI), Umakanth Varottil (National University of Singapore, ECGI)

Law Working Paper N° 731/2023

### Propagation of climate disasters through ownership networks

Matthew Gustafson (Pennsylvania State University), Ai He (University of South Carolina), Ugur Lel (University of Georgia and ECGI), Zhongling (Danny) Qin (Auburn University)

Finance Working Paper N° 941/2023

### A Critical Review of the Common Ownership Literature

Kristopher Gerardi (Federal Reserve Bank of Atlanta), Michelle Lowry (Drexel University and ECGI), Carola Schenone (University of Virginia)

Finance Working Paper N° 943/2023

## Climate Change

### Saving Climate Disclosure

Scott Hirst (Boston University, Harvard University and ECGI)

Law Working Paper N° 675/2023

### Internalizing Externalities: Disclosure Regulation for Hydraulic Fracturing, Drilling Activity and Water Quality

Pietro Bonetti (University of Navarra), Christian Leuz (University of Chicago, NBER, CEPR, CFS, Leibniz Institute SAFE, CESifo Research Network and ECGI), Giovanna Michelon (University of Bristol)

Law Working Paper N° 676/2023

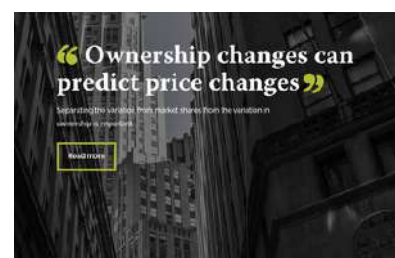
### Corporate Decarbonization under Financial Constraints: International Evidence

Lilian Ng (York University and ECGI), Xiaoqiong Wang (Indiana University, Kokomo), Jing Yu (University of Sydney) | Finance Working Paper N° 877/202

### Climate Disclosure Line-Drawing & Securities Regulation

Virginia E. Harper Ho (City University of Hong Kong and ECGI)

Law Working Paper N° 684/2023



### **The Voluntary Carbon Market: Market Failures and Policy Implications**

Vittoria Battocletti (Bocconi University), Luca Enriques (University of Oxford, European Banking Institute and ECGI), Alessandro Romano (Bocconi University)  
Law Working Paper N° 688/2023

### **Voice Through Divestment**

Marco Becht (Solvay Brussels School of Economics and Management, Université libre de Bruxelles, CEPR and ECGI), Anete Pajuste (Stockholm School of Economics, Riga, Harvard Law School and ECGI), Anna Toniolo (Harvard University)  
Finance Working Paper N° 900/2023

### **Biodiversity Finance**

Caroline Flammer (Columbia University, NBER, and ECGI), Thomas Giroux (CREST-ENSAE), Geoffrey M. Heal (Columbia University)  
Finance Working Paper N° 901/2023

### **Do Investors Care About Biodiversity?**

Alexandre Garel (Audencia Business School), Arthur Romec (Toulouse Business School), Zacharias Sautner (University of Zurich, Swiss Finance Institute and ECGI), Alexander F. Wagner (University of Zurich, Swiss Finance Institute, CEPR and ECGI)  
Finance Working Paper N° 905/2023

### **Firms' Transition to Green: Innovation versus Lobbying**

Sungjoun Kwon (Wayne State University), Michelle Lowry (Drexel University and ECGI), Michela Verardo (London School of Economics)  
Finance Working Paper N° 921/2023

### **Is Pollution Value-Maximizing? The DuPont Case**

Roy Shapira (Reichman University, University of California, Berkeley and ECGI), Luigi Zingales (University of Chicago, NBER, CEPR and ECGI)  
Law Working Paper N° 723/2023

### **Will Systematic Stewardship Save the Planet?**

Zohar Goshen (Columbia University and ECGI), Assaf Hamdani (Tel Aviv University and ECGI)  
Law Working Paper N° 739/2023

### **Does the Carbon Premium Reflect Risk or Mispricing?**

Yigit Atilgan (Sabanci University), K. Ozgur Demirtas (Sabanci University), Alex Edmans (London Business School, CEPR and ECGI), A. Doruk Gunaydin (Sabanci University)  
Finance Working Paper N° 940/2023

**“Standardizing climate risk disclosure is not an end in itself, but a means to achieve basic goals”**

The feasibility of climate risk disclosure depends on the effective endorsement of the disclosure itself.

[Read more](#)

**“ESG performance is sensitive to changes in managerial ownership by funds”**

Managers with more ‘skin in the game’ exhibit significantly higher ESG performance in funds they manage.

[Read more](#)

**“Shedding light on the future of the ESG movement and regulatory reform”**

The combination of E, S, and G into one term has provided a highly flexible moniker.

[Read more](#)

**“The ‘global ESG stewardship ecosystem’ revives the convergence-divergence debate in corporate governance”**

Institutional investors promote ESG metrics designed to filter equity and avoid the global investment portfolio.

[Read more](#)

## Diversity

### Diversity Washing

Andrew C. Baker (UC Berkeley School of Law), David F. Larcker (Stanford University, Rock Center for Corporate Governance and ECGI), Charles McClure (University of Chicago), Durgesh Saraph, Edward M. Watts (Yale University)  
Finance Working Paper N° 868/2023

### Who Do You Vote for? Same-Race Preferences in Shareholder Voting

Johan Sulaeman (National University of Singapore and ECGI), Qiaozhi Ye (National University of Singapore)  
Finance Working Paper N° 872/2023

### The Voting Behavior of Women-Led Mutual Funds

Alberta Di Giuli (ESCP Business School and ECGI), Alexandre Garel (Audencia Business School), Arthur Petit-Romec (Toulouse Business School)  
Finance Working Paper N° 875/2023

### The Millennial Corporation: Strong Stakeholders, Weak Managers

Michal Barzuza (University of Virginia and ECGI), Quinn Curtis (University of Virginia and ECGI), David Webber Boston University  
Law Working Paper N° 687/2023

### The Value of Skill Signals for Women's Careers

Alexandra Niessen-Ruenzi (University of Mannheim and ECGI), Leah Zimmerer (University of Mannheim)  
Finance Working Paper N° 888/2023

### Subtle Discrimination

Elena S. Pikulina (University of British Columbia), Daniel Ferreira (London School of Economics, CEPR and ECGI)  
Finance Working Paper N° 903/2023

### Promoting Corporate Diversity: The Uncertain Role of Institutional Investors

Jill E. Fisch (University of Pennsylvania and ECGI)  
Law Working Paper N° 699/2023

### Diversity, Equity, and Inclusion

Alex Edmans (London Business School, CEPR and ECGI), Caroline Flammer (Columbia University, NBER, and ECGI), Simon Glossner (Federal Reserve Board)  
Finance Working Paper N° 913/2023

### CEO Social Power, Board Inclusiveness, and Corporate Performance after Ethnic Conflicts

Kamil Korhan Nazliben (Tilburg University), Luc Renneboog (Tilburg University, CentER and ECGI), Emil Uduwalage (Wayamba University of Sri Lanka)  
Finance Working Paper N° 931/2023

There is no evidence that the biodiversity footprint affects the cross-section of stock returns

Read more

“ Investors today hold directors accountable for climate change and board diversity ”

Female directors receive fewer dissent votes but not so if they are long-tenured

Read more

“ Companies typically add new diverse directors by increasing the board size ”

Companies with higher representation of Black directors on the corporate board were associated with higher stock returns during the mass BLM protests

Read more

“ Observable skill signals are more important for women's career advancement than for men's ”

Read more

## Banking

### Know Your Customer: Informed Trading by Banks

Rainer F. H. Haselmann (Goethe University and CEPR), Christian (Leuz University of Chicago, NBER, CEPR, CFS, Leibniz Institute SAFE, CESifo Research Network and ECGI), Sebastian Schreiber (Goethe University)  
Finance Working Paper N° 876/2023

### The Rising Tide Lifts Some Interest Rates: Climate Change, Natural Disasters and Loan Pricing

Ricardo Correa (Federal Reserve Board), Ai He (University of South Carolina), Christoph Herpfer (Emory University), Ugur Lel (University of Georgia and ECGI)  
Finance Working Paper N° 889/2023

### Piercing through Opacity: Relationships and Credit Card Lending to Consumers and Small Businesses during Normal Times and the COVID-19 Crisis

Allen N. Berger (University of South Carolina, WFIC and EBC), Christa H. S. Bouwman (Texas A&M University, ECGI and WFIC), Lars Norden (Getulio Vargas Foundation (FGV)), Raluca A. Roman (Federal Reserve Bank of Philadelphia), Gregory F. Udell (Indiana University), Teng Wang (Board of Governors of the Federal Reserve System)  
Finance Working Paper N° 912/2023

### Who Benefits from Sustainability-linked Loans?

Kai Du (Penn State University), Jarrad Harford (University of Washington and ECGI), David (Dongheon) Shin (Indiana University)  
Finance Working Paper N° 917/2023

### Glossy Green' Banks: The Disconnect Between Environmental Disclosures and Lending Activities

Mariassunta Giannetti (Stockholm School of Economics, CEPR, Swedish House of Finance and ECGI), Martina Jasova (Columbia University), Maria Loumioti (University of Texas at Dallas), Caterina Mendicino (European Central Bank)  
Finance Working Paper N° 919/2023

### Comparative Financial Regulation: The Analytical Framework

Edoardo D. Martino (University of Amsterdam and EBI), Hossein Nabilou (University of Amsterdam and UNIDROIT), Alessio M. Paces (University of Amsterdam, ACLE, EBI and ECGI)  
Law Working Paper N° 726/2023

### Banks, Markets, and the Color of Finance

Fenghua Song (Pennsylvania State University), Anjan Thakor (Washington University in St Louis, FTG, MIT LFE and ECGI)  
Finance Working Paper N° 933/2023

### Rebuilding Banking Law: Banks as Public Utilities

Lev Menand (Columbia University), Morgan Ricks (Vanderbilt University and ECGI)  
Law Working Paper N° 732/2023

Compensating banks for a penalty-free prepayment option may result in credit rationing

ing a properly secured upfront fee with a lowering of the loan rate the bank's participation constraint and thus solves credit rationing

Read more

A bankruptcy process would trigger significant negative macroeconomic or geostrategic externalities.

Ad hoc bailout should not occur without a major contribution from Germany and its other shareholders.

Read more

SLL lenders successfully attract higher deposits after issuance, enabling them to increase their lending.

Priority exposure for originating SLL contracts may reside with the lenders, reducing benefits.

Read more

There are significant divergences in financial regulation despite the similarity of market failures

Two main drivers of recent convergence have been the push by industry associations and harmonization to address risk spillovers

Read more

### Climate Risk, Bank Lending and Monetary Policy

Carlo Altavilla (European Central Bank and CEPR), Miguel Boucinha (European Central Bank), Marco Pagano (University of Naples Federico II, CSEF, EIEF, CEPR and ECGI), Andrea Polo (Luiss University, CEPR, CSEF, EIEF and ECGI)  
Finance Working Paper N° 936/2023

### Loan Guarantees, Bank Lending and Credit Risk Reallocation

Carlo Altavilla (European Central Bank and CEPR), Andrew Ellul (Indiana University, CSEF, CEPR and ECGI), Marco Pagano (University of Naples Federico II, CSEF, EIEF, CEPR and ECGI), Andrea Polo (Luiss University, CEPR, CSEF, EIEF and ECGI), Thomas Vlassopoulos (European Central Bank)  
Finance Working Paper N° 944/2023

## Boards

### Do Individual Directors Matter? Evidence of Director-Specific Quality

Dipesh Bhattarai (University of Tennessee, Knoxville), Matthew Serfling (University of Tennessee, Knoxville and ECGI), Tracie Woidtke (The University of Tennessee)  
Finance Working Paper N° 870/2023

### Outside Director Tenure Length: Expertise-Enhancement versus Entrenchment

Minjae Kim (Korea University Business School), Sojung Kim (Korea University Business School and Ministry of Health and Welfare), Woochan Kim (Korea University, AICG and ECGI)  
Finance Working Paper N° 878/2023

### Evolution of Director Oversight Duties and Liability under Caremark: Using Enhanced Information-Acquisition Duties in the Public Interest

Jennifer Arlen (New York University and ECGI)  
Law Working Paper N° 680/2023

### Seven Gaping Holes in Our Knowledge of Corporate Governance

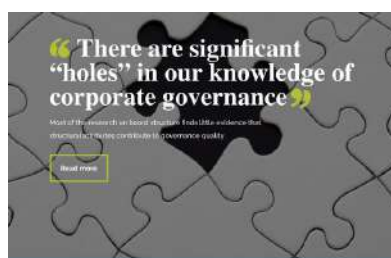
David F. Larcker (Stanford University, Rock Center for Corporate Governance and ECGI), Brian Tayan (Stanford University)  
Finance Working Paper N° 914/2023

### Does Board Size Matter?

Dirk Jenter (London School of Economics and Political Science, CEPR and ECGI), Thomas Schmid (University of Hong Kong), Daniel Urban (Erasmus University Rotterdam)  
Finance Working Paper N° 916/2023

### Thirty Years of Change: The Evolution of Classified Boards

Scott B. Guernsey (University of Tennessee), Feng Guo (Iowa State University), Tingting Liu (Iowa State University), Matthew Serfling (University of Tennessee and ECGI)  
Finance Working Paper N° 929/2023



## Specialist Directors

Roy Shapira (Reichman University (IDC), University of California at Berkeley and ECGI),  
Yaron Nili (University of Wisconsin-Madison and ECGI)  
Law Working Paper N° 742/2023

## CEOs

### Toxic CEOs, ESG Funds as Watchdogs, and the Labor Market Outcomes

Ugur Lel (University of Georgia and ECGI)  
Finance Working Paper N° 871/2023

### Superstar CEOs and Corporate Law

Assaf Hamdani (Tel Aviv University and ECGI), Kobi Kastiel (Tel Aviv University, Harvard Law School and ECGI)  
Law Working Paper N° 695/2023

### Good and Bad CEOs

Dirk Jenter (London School of Economics and Political Science, CEPR and ECGI), Egor Matveyev (Massachusetts Institute of Technology), Lukas Roth (University of Alberta and ECGI)  
Finance Working Paper N° 935/2023

### CEO Turnover and Director Reputation

Felix von Meyerinck (University of Zurich and Hamburg Financial Research Center), Jonas Romer (University of St.Gallen), Markus Schmid (University of St. Gallen and ECGI)  
Finance Working Paper N° 942/2023

## Compensation

### Complexity of CEO Compensation Packages

Ana M. Albuquerque (Boston University), Mary Ellen Carter (Boston College and ECGI), Zhe (Michael) Guo (Fordham University), Luann J. Lynch (University of Virginia)  
Finance Working Paper N° 885/2023

### Say on ESG: The Adoption of Say-on-Pay Laws, ESG Contracting, and Firm ESG Performance

Mary Ellen Carter (Boston College and ECGI), Andrea Pawliczek (University of Colorado Boulder), Rong (Irene) Zhong (University of Illinois at Chicago)  
Finance Working Paper N° 886/2023

### Growth-promoting Bonuses and Mergers and Acquisitions

Tor-Erik Bakke (University of Illinois at Chicago), Mathias Kronlund (Tulane University), Hamed Mahmudi (University of Delaware), Aazam Virani (University of Arizona)  
Finance Working Paper N° 906/2023



## **The corporate calendar and the timing of share repurchases and equity-based compensation**

Ingolf Dittmann (Erasmus University Rotterdam, Tinbergen Institute and ECGI), Amy Yazhu Li (Erasmus University Rotterdam), Stefan Obernberger (Erasmus University Rotterdam), Jiaqi Zheng (Oxford University)  
Finance Working Paper N° 909/2023

## **Sustainability and Executive Compensation**

Roberto Barontini (Sant'Anna School of Advanced Studies), Jennifer G. Hill (Monash University and ECGI)  
Law Working Paper N° 747/2023

# **Private Equity & Venture Capital**

## **Debt Textualism and Creditor-on-Creditor Violence: A Modest Plea to Keep the Faith**

Sneha Pandya (Columbia University), Eric L. Talley (Columbia University, Millstein Center for Global Markets and Corporate Ownership, and ECGI)  
Law Working Paper N° 673/2023

## **The Oscillating Domains of Public and Private Markets**

Alperen Gözlügöl (Leibniz Institute for Financial Research SAFE), Julian Greth (Leibniz Institute for Financial Research SAFE), Tobias H. Tröger (Johann Wolfgang Goethe University, CAS LawFin, LIF SAFE, and ECGI)  
Law Working Paper N° 689/2023

## **Common Venture Capital Investors and Startup Growth**

Ofer Eldar (University of California at Berkley and ECGI), Jillian Grennan (University of California at Berkley)  
Finance Working Paper N° 902/2023

## **Side Letter Governance**

Elisabeth de Fontenay (Duke University), Yaron Nili (University of Wisconsin-Madison and ECGI)  
Law Working Paper N° 710/2023

## **Risk-Seeking Governance**

Brian Broughman (Vanderbilt University), Matthew Wansley (Yeshiva University)  
Law Working Paper N° 720/2023

## **Private Equity and Venture Capital Fund Performance: Evidence from a Large Sample of Israeli Limited Partners**

Alon Brav (Duke University, NBER and ECGI), Guy Lekan (The Hebrew University), Yishay Yafeh (The Hebrew University, CEPR and ECGI)  
Finance Working Paper N° 930/2023

## **Startup Failure**

Elizabeth Pollman (University of Pennsylvania and ECGI)  
Law Working Paper N° 729/2023



### **The Rise of Private Equity Continuation Funds**

Kobi Kastiel (Tel Aviv University, Harvard Law School and ECGI), Yaron Nili (University of Wisconsin-Madison and ECGI)  
Law Working Paper N° 733/2023

### **Top-tier Law Firm Expertise and Venture Capital Investments: Global Evidence**

Douglas J. Cumming (Florida Atlantic University, University of Birmingham and ECGI), Giang Nguyen (Emlyon Business School), Anh Viet Pham (University of Newcastle), Cameron Truong (Monash University)  
Finance Working Paper N° 934/2023

## **Markets**

### **Estimating Firms' Responses to Securities Regulation Using a Bunching Approach**

Dhammika Dharmapala (University of Chicago, Australian National University, CESifo and Oxford University)  
Finance Working Paper N° 867/2023

### **Does Greater Public Scrutiny Hurt a Firm's Performance?**

Benjamin Bennett (Tulane University), René M. Stulz (The Ohio State University, ABFER, NBER, Wharton Financial Institutions Center and ECGI), Zexi Wang (Lancaster University)  
Finance Working Paper N° 873/2023

### **Liability for Non-Disclosure in Equity Financing**

Albert H. Choi (University of Michigan and ECGI), Kathryn E. Spier (Harvard University and NBER)  
Law Working Paper N° 678/2023

### **Fairness Opinions and SPAC Reform**

Andrew F. Tuch (Washington University in St. Louis and ECGI)  
Law Working Paper N° 703/2023

### **Murder on the City Express - Who is Killing the London Stock Exchange's Equity Market?**

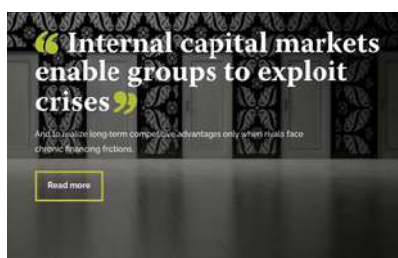
Brian R. Cheffins (University of Cambridge and ECGI), Bobby V. Reddy (University of Cambridge)  
Law Working Paper N° 714/2023

### **Noisy Factors**

Pat Akey (University of Toronto and ECGI), Adriana Z. Robertson (University of Chicago and ECGI), Mikhail Simutin (University of Toronto)  
Finance Working Paper N° 920/2023

### **Law and Stock Market Development in the UK Over Time: An Uneasy Match**

Brian R. Cheffins (University of Cambridge and ECGI), Bobby V. Reddy (University of Cambridge)  
Law Working Paper N° 722/2023



## **Institutional mobility in global capital markets**

Rachel M. Hayes (University of Utah), Roger Silvers (University of Utah and ECGI)

Finance Working Paper N° 932/2023

## **The Menagerie of Organizational Forms in Germany Company Law**

Holger Fleischer (Max Planck Institute for Comparative and International Private Law and ECGI)

Law Working Paper N° 735/2023

# **Dual Class Shares**

## **Controlling Shareholders and Sustainable Corporate Governance: The Role of Dual-Class Shares**

Alessio M. Paces (University of Amsterdam, ACLE, EBI and ECGI)

Law Working Paper N° 700/2023

## **Extending Dual Class Stock: A Proposal**

David J. Berger (Wilson Sonsini Goodrich & Rosati), Jill E. Fisch (University of Pennsylvania and ECGI), Steven Davidoff Solomon (University of California, Berkeley and ECGI)

Finance Working Paper N° 707/2023

## **Dual Class Stock**

Jill E. Fisch (University of Pennsylvania and ECGI), Steven Davidoff Solomon (University of California, Berkeley and ECGI)

Law Working Paper N° 715/2023

## **Pricing Corporate Governance**

Albert H. Choi (University of Michigan and ECGI)

Law Working Paper N° 719/2023

## **The missing role of controlling shareholders in the short-termism debate**

Tom Vos (University of Antwerp)

Law Working Paper N° 728/2023

## **Exploring China's Dual-Class Equity Structure: Investor Protection Measures and Policy Implications**

Sang Yop Kang (Peking University and ECGI), Tong Ling (Fangda Partners)

Law Working Paper N° 734/2023

## **Ousted**

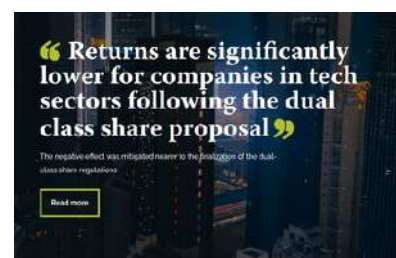
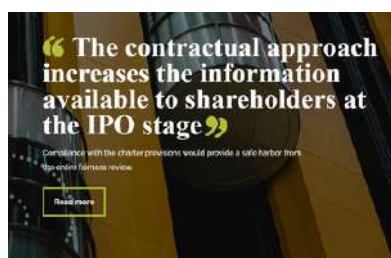
Yifat Aran (University of Haifa), Elizabeth Pollman (University of Pennsylvania and ECGI)

Law Working Paper N° 740/2023

## **Dual-Class IPOs: A Solution to Unicorn Governance Failure**

Ofer Eldar (University of California at Berkeley and ECGI)

Law Working Paper N° 741/2023



## Voting

### Shareholder Voting and Disclosure in M&As

Tan Do (Bayes Business School), Beatriz Garcia Osma (Universidad Carlos III de Madrid and ECGI), Anna Toldrà-Simats (Universidad Carlos III de Madrid), Fengzhi Zhu (Universidad Carlos III de Madrid)  
Finance Working Paper N° 879/2023

### Corporate Democracy and the Intermediary Voting Dilemma

Jill E. Fisch (University of Pennsylvania and ECGI), Jeff Schwartz (University of Utah)  
Law Working Paper N° 685/2023

### Voting Choice

Andrey Malenko (Boston College, CEPR and ECGI), Nadya Malenko (Boston College, NEBR, CEPR and ECGI)  
Finance Working Paper N° 910/2023

### The Changing Landscape of Corporate Governance Disclosure: Impact on Shareholder Voting

David Becher (Drexel University), Michelle Lowry (Drexel University and ECGI), Jared I. Wilson (Indiana University)  
Finance Working Paper N° 915/2023

### The Viability of Blockchain in Corporate Governance

Anne Lafarre (Tilburg University), Christoph Van der Elst (Tilburg University, Ghent University and ECGI)  
Law Working Paper N° 712/2023

### Shareholder Monitoring Through Voting: New Evidence from Proxy Contests

Alon Brav (Duke University, NBER and ECGI), Wei Jiang (Emory University, NBER and ECGI), Tao Li (University of Florida), James Pinnington (Duke University)  
Finance Working Paper N° 923/2023

### Why do Investors Vote Against Corporate Directors?

Reena Aggarwal (Georgetown University and ECGI), Sandeep Dahiya (Georgetown University), Umit Yilmaz (Georgetown University)  
Finance Working Paper N° 924/2023

### Voting Rationales

Roni Michaely (University of Hong Kong and ECGI), Silvina Rubio (University of Bristol), Irene Yi (University of Toronto)  
Finance Working Paper N° 928/2023

Companies with low board diversity receive more rationales on board diversity

Companies with high dissent voting related to board diversity, tend to have more rationales on board composition

Read more

“ Investors today hold directors accountable for climate change and board diversity ”

Female directors receive fewer dissent votes but not so if they are long-tenured

Read more

“ Blockchain has the potential to address custody chain issues and improve transparency in corporate securities ”

Calculation of blockchain's impact and practical considerations is necessary

Read more

“ If information collection is costly, voting choice may lead to coordination failure ”

Investors' participation would be better off if voting choice were not allowed to them

Read more

## Politics

### Private Sanctions

Oliver Hart (Harvard University, NBER and ECGI), David Thesmar (Massachusetts Institute of Technology, NBER and CEPR), Luigi Zingales (University of Chicago, NBER, CEPR and ECGI)

Finance Working Paper N° 866/2023

### The Externalities of Mandatory ESG Disclosure

Yi Jiang (Harbin Institute of Technology), Ya Kang (Chinese University of Hong Kong), Hao Liang (Singapore Management University and ECGI), George Yong Yang (Chinese University of Hong Kong)

Finance Working Paper N° 880/2023

### Is Corporate Law Nonpartisan?

Ofer Eldar (Duke University and ECGI), Gabriel V. Rauterberg (University of Michigan)

Finance Working Paper N° 692/2023

### The (Geo)Politics of Controlling Shareholders

Curtis J. Milhaupt (Stanford University and ECGI)

Law Working Paper N° 696/2023

### The Holding Foreign Companies Accountable (HFCA) Act: A Critique

Jesse M. Fried (Harvard University and ECGI), Tamar Groswald Ozery (Hebrew University of Jerusalem)

Law Working Paper N° 721/2023

### Does Political Risk Influence Wage Theft?

Justin Chircop (Lancaster University), Douglas J. Cumming (Florida Atlantic University, University of Birmingham and ECGI), Monika Tarsalewska (University of Exeter), Agnieszka Trzeciakiewicz (University of York)

Finance Working Paper N° 938/2023

### Political Connections Cause Resource Misallocation: Evidence from the Fall of Fascism in Italy

Mara Faccio (Purdue University, NBER and ECGI), John J. McConnell (Purdue University)

Finance Working Paper N° 939/2023

### The Impact of Money in Politics on Labor and Capital: Evidence from Citizens United v. FEC

Pat Akey (University of Toronto and ECGI), Tania Babina (Columbia University), Greg Buchak (Stanford University), Ana-Maria Tenekedjieva (Federal Reserve Board of Governors)

Finance Working Paper N° 946/2023

Increased political  
ending spurs political  
competition and pro-growth  
policies”

onic effects are stronger among ex-ante politically inactive  
firms

Read more

PAGE 58

“Firms exposed to political  
risk might engage in wage  
theft”

Political risk increases firm transparency and scrutiny

Read more

“Political connections lead  
to misallocation of economic  
resources”

This is due to resources allocated to politically connected firms not  
being allocated to their best uses

Read more

“The ESG movement calls  
out for the expansion of  
corporate influence over  
domains of public governance”

If the ESG movement succeeds, corporate control's political-economic  
implications will multiply

Read more

## Bankruptcy

### Mid-Crisis Restructuring Law Reform in the United Kingdom

Kristin van Zwieten (University of Oxford and ECGI)

Law Working Paper N° 679/2023

### Bailout Blues: the Write-Down of the AT1 Bonds in the Credit Suisse Bailout

Javier Paz Valbuena (University of Oxford), Horst Eidenmüller (University of Oxford and ECGI)

Law Working Paper N° 705/2023

### Bankruptcy's Identity Crisis

David A. Skeel (University of Pennsylvania and ECGI)

Law Working Paper N° 708/2023

### Non-Financial Liabilities and Effective Corporate Restructuring

Bo Becker (Stockholm School of Economics, CEPR and ECGI), Jens Josephson (Stockholm University and Research Institute of Industrial Economics)

Finance Working Paper N° 937/2023

### Comparative Corporate Insolvency Law, Second Edition

Horst Eidenmüller (University of Oxford and ECGI)

Law Working Paper N° 738/2023

### Taxes Blown in the Wind? The Siemens Gamesa Bailout

Horst Eidenmüller (University of Oxford and ECGI), Javier Paz Valbuena (University of Oxford)

Law Working Paper N° 745/2023

## Corporate Groups

### Civil Liability in the EU Corporate Sustainability Due Diligence Directive Proposal: A Law & Economics Analysis

Alessio M. Paces (University of Amsterdam, ACLE, EBI and ECGI)

Law Working Paper N° 691/2023

### Justifications for Minority-Co-Owned Groups and Their Corporate Law Implications

Luca Enriques (University of Oxford, European Banking Institute and ECGI), Sergio Gilotta (University of Bologna)

Law Working Paper N° 693/2023

### The New Corporate Law of Corporate Groups

Mariana Pargendler (Fundação Getulio Vargas Law School, New York University and ECGI)

Law Working Paper N° 702/2023



## Takeovers

### The Rise of Anti-Activist Poison Pills

Ofer Eldar (Duke University and ECGI), Tanja Kirmse (Drexel University), Michael D. Wittry (Ohio State University)

Finance Working Paper N° 869/2023

### Does Speculative News Hurt Productivity? Evidence from Takeover Rumors

Christian Andres (WHU – Otto Beisheim School of Management), Dmitry Bazhutov (Schumpeter School of Business and Economics, University of Wuppertal), Douglas J. Cumming (Florida Atlantic University, University of Birmingham and ECGI), Peter Limbach (University of Bielefeld and CFR)

Finance Working Paper N° 884/2023

### The Consequences to Directors for Deploying Poison Pills

William C. Johnson (University of Massachusetts Lowell), Jonathan M. Karpoff (University of Washington and ECGI), Michael D. Wittry (Ohio State University)

Finance Working Paper N° 918/2023

## More...

### Hedge Fund Investment in ETFs

Douglas J. Cumming (Florida Atlantic University, University of Birmingham and ECGI), Pedro Monteiro (University of Scranton)

Finance Working Paper N° 882/2023

### Corruption and Controlling Shareholders

Kevin E. Davis (New York University), Mariana Pargendler (Fundação Getulio Vargas Law School, New York University and ECGI)

Law Working Paper N° 698/2023

### The Family Firm A Synthesis, Stylized Facts, and Future Research Directions

Daniel Kárpáti (Tilburg University), Luc Renneboog (Tilburg University, CentER and ECGI), Jeroen Verbouw (Ghent University and Tilburg University)

Finance Working Paper N° 908/2023

### The Company and its Constituents

Susan Watson (University of Auckland and ECGI)

Law Working Paper N° 701/2023

### The State of State Competition for Incorporations Revisited

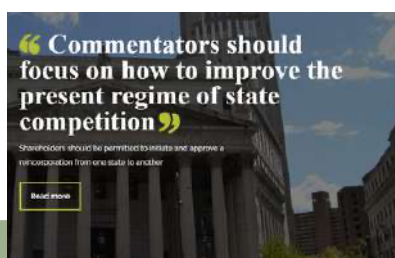
Marcel Kahan (New York University and ECGI)

Law Working Paper N° 724/2023

### Corporate Fraud and the Consequences of Securities Class Action Litigation

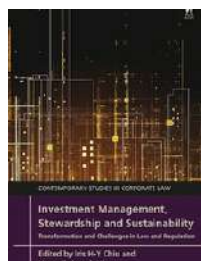
Tamas Barko (Quoniam Asset Management GmbH), Luc Renneboog (Tilburg University, CentER and ECGI) Hulai Zhang (Tilburg University and ESCP Business School) | Law

Working Paper N° 925/2023



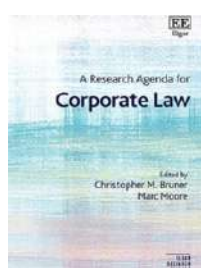
# 2023 BOOKS

In 2023, ECGI research members published several books which were promoted through the ECGI network.



## **Investment Management, Stewardship and Sustainability Transformation and Challenges in Law and Regulation**

Edited by Iris H-Y Chiu (University College London and ECGI) and Hans-Christoph Hirt (International Corporate Governance Network)



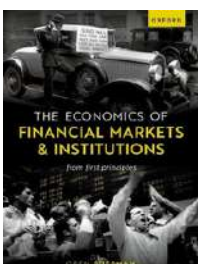
## **A Research Agenda for Corporate Law**

Edited by Christopher M. Bruner (University of Georgia School of Law and ECGI) and Marc Moore (University College London) Edward Elgar, 2023



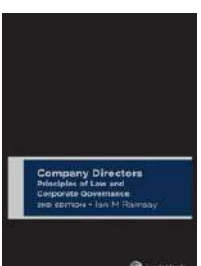
## **Handbook of the Economics of Corporate Finance- Private Equity and Entrepreneurial Finance**

Edited by B. Espen Eckbo (Tuck School of Business at Dartmouth and ECGI), Gordon M. Phillips (Tuck School of Business at Dartmouth) and Morten Sørensen (Tuck School of Business at Dartmouth)



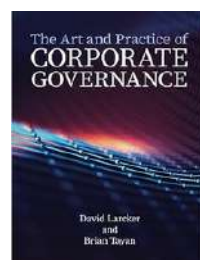
## **The Economics of Financial Markets and Institutions: From First Principles**

By Oren Sussman (Saïd Business School, University of Oxford and ECGI)



## **Company Directors: Principles of Law and Corporate Governance, 2nd edition**

By Ian Ramsay (University of Melbourne and ECGI)



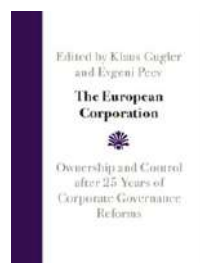
## **The Art and Practice of Corporate Governance**

By David Larcker (Stanford Graduate School of Business and ECGI) and Brian Tayan (Stanford Graduate School of Business)



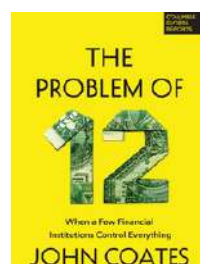
## **Climate Finance**

By Nuno Fernandes (IESE Business School and ECGI)



## **The European Corporation, Ownership and Control after 25 Years of Corporate Governance Reforms**

Edited by Klaus Gugler (WU Vienna University of Economics and Business and ECGI) and Evgeni Peev (WU Vienna University of Economics and Business)



## **The Problem of 12, When a Few Financial Institutions Control Everything**

By John Coates (Harvard Law School, Harvard Business School and ECGI) Columbia Global Reports, 2023



## **Research Handbook on Shareholder Inspection Rights - A Comparative Perspective**

Edited by Randall S. Thomas (Owen Graduate School of Management and School of Law, Vanderbilt University and ECGI), Paolo Giudici (Free University of Bozen-Bolzano and ECGI) and Umakanth Varottil (National University of Singapore and ECGI)

# 2023 GOVERNANCE

## Governance Structure

The governance of ECGI is delegated across a number of responsible groups.

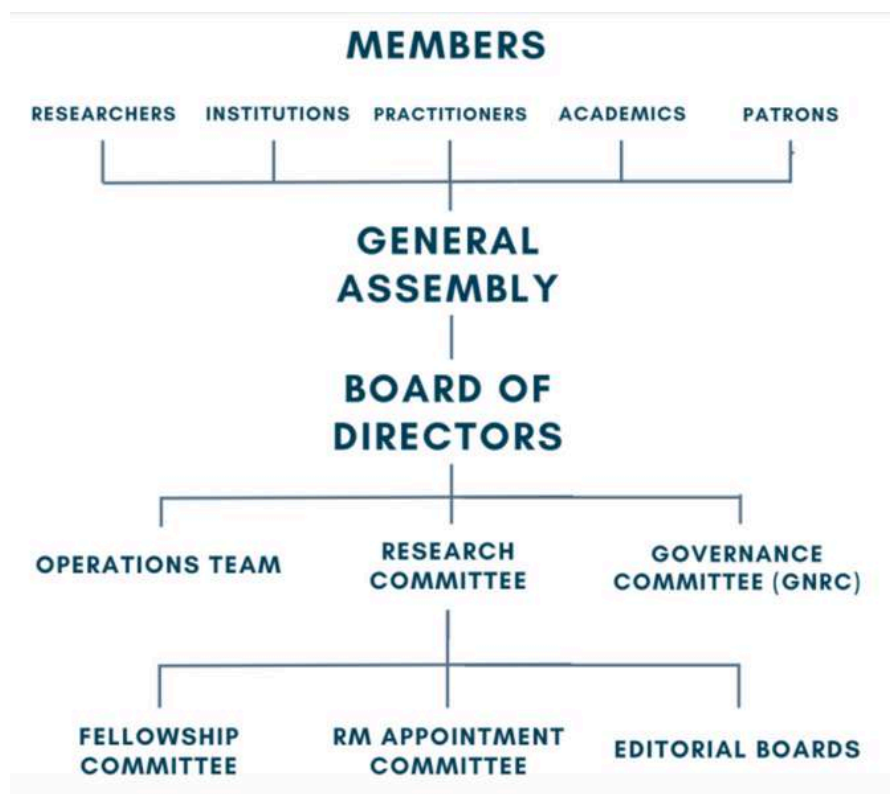
The **ECGI Board** is responsible for overseeing the financial, operational and strategic stability of the Institute (see 'Board Composition'). The ECGI Board met five times in 2023.

The **Governance, Nominations, and Remuneration Committee (GNRC)** is a sub-committee of the Board which is responsible for overseeing and making recommendations with respect to board balance and composition, nominations, remuneration and expense policies, conflicts of interest, and board effectiveness. In 2023, the committee was chaired by **Guy Jubb**. However, as it was not quorate, this committee did not meet in 2023 and its responsibilities were assumed by the ECGI Board. It has since resumed meeting in 2024.

The **Membership Committee** is a sub-committee of the Board with responsibility for overseeing new membership applications for non-research member categories. This committee is only active when specific cases are referred to it. It did not meet in 2023 and should be recomposed when called upon.

The **Research (Member) Committee** as appointed by the ECGI Board, is responsible for promoting and overseeing the research activities of ECGI. This includes the appointment of research members, the election of Fellows, the approval of research projects and collaborations, overseeing the working paper series, and any other activities that the ECGI Board deems classified as research activities. The Chair of the Research Committee in 2023 was Professor **Jennifer Hill** and it met four times during the year. The committee in turn delegates some of its responsibilities to additional groups comprised of ECGI research members:

- The **Working Paper Editors and Editorial Boards** are responsible for monitoring the quality of research papers and accepting papers into the working papers series' in both law and finance. In 2023, Professor **Amir Licht** was Editor of the Law Series and Professor **Mike Burkart** was Editor of the Finance Series.
- The **Fellowship Committee**, chaired in 2023 by Professor **Julian Franks**, oversees the election by the current Fellows of distinguished academics as ECGI Fellows.
- The **Research Member Appointment Committee**, chaired in 2023 by Professor **Ernst Maug**, oversees and decides the appointment of new ECGI Research Members.



## 2023 Board Composition

The ECGI Board ("the Board") convened five times in 2023 to discuss, review and debate pertinent matters to the financial, operational, and strategic stability of the Institute. The composition and powers of the Board are enshrined in the ECGI Statutes which are published on the ECGI website (<https://ecgi.global/content/ecgi-articles>).

In 2023 the ECGI Board consisted of nine Non-Executive Directors and an Executive Director. The current Chairman of the Board is **Herman Daems** who was appointed on 21 September 2021.

**Genevieve Helleringer** was appointed as Vice-Chair of ECGI on 21 September 2023. She is also Chair of the ECGI Governance Committee and succeeded Guy Jubb in both of these roles.

**Marco Becht**, **Herman Daems**, **Yupana Wiwatanakantang**, and **Guy Jubb** were re-elected as Directors in 2023 to serve until the General Assembly in 2026.



# 2023 BOARD COMPOSITION



**Herman Daems** (Chair)  
Board Member  
BNP Paribas Fortis  
Year appointed: 2020



**Geneviève Helleringer**  
(Vice Chair)  
Research Member  
ESSEC Business School and  
Oxford Law Faculty  
Year appointed: 2022



**Marco Becht** (Executive Director)  
Fellow, Founder  
Solvay Brussels School, Université  
libre de Bruxelles  
Year appointed: 2002



**Franklin Allen**  
Fellow, Research Member  
Imperial College Business  
School, Brevan Howard Centre  
Year appointed: 2022



**Reena Aggarwal**  
Research Member  
Georgetown University  
Year appointed: 2021



**Luca Enriques**  
Fellow, Research Member  
University of Oxford, Faculty  
of Law  
Year appointed: 2018



**Guy Jubb**  
Practitioner Member  
University of Edinburgh  
Year appointed: 2017



**Wei Jiang**  
Research Member  
Emory University Goizueta  
Business School  
Year appointed: 2022



**Sophie L'Helias**  
Practitioner Member  
Kering, LeaderXXchange  
Year appointed: 2021



**Yupana Wiwattanakantang**  
Research Member  
National University of  
Singapore  
Year appointed: 2020

# 2023 FINANCIAL STATEMENTS

Since its inception in 2002, ECGI has operated on a modest budget with a spirit of collaboration and innovation. Despite the wide range of activities, the core operation of disseminating research is managed by a small team which is financed by a number of modest funding sources: Donations from the European Corporate Governance Research Foundation (ECGRF); sponsorships; membership subscriptions; and project income.

ECGRF is a separate entity which attracts patrons of corporate governance research. The three patrons of ECGRF in 2023 were: AstraZeneca, BlackRock, and Investor AB.

The financial year 2022 was particularly successful largely due to two single events, namely the support of Norges Bank Investment Management for a Covid-19-related project, and the generous sponsorship of the inaugural responsible capitalism summit. The surplus from these events was partially allocated to projects that were realised in 2023, such as the new website platform. This resulted in a net-loss in 2023 and an increase in intangible assets.

		Dec 31, 2023	Dec 31, 2022	Dec 31, 2021
		Euro	Euro	Euro
<b>ASSETS</b>				
	<b>Intangible assets</b>	75,296	35,217	24,632
	<b>Tangible assets</b>	465	1,971	3,651
	<b>Cash at bank</b>			
	Savings Accounts	11,653	8,509	12,548
	Current Accounts	589,133	496,424	487,984
	Total Current/Savings	600,786	504,933	500,532
	<b>Accounts Receivable</b>	44,415	144,913	31,177
	<b>deferred charges</b>	8,934	37,508	7,497
	<b>TOTAL ASSETS</b>	<b>729,897</b>	<b>724,542</b>	<b>567,489</b>
	<b>Equity</b>			
	Retained Earnings	647,645	527,059	510,629
	Net Income	-26,691	120,586	16,431
		620,954	647,645	527,060
	<b>Current liabilities</b>			
	Charges payable	108,312	75,738	38,395
	<b>Deferred income</b>	631	1,159	2,035
	<b>TOTAL LIABILITIES</b>	<b>729,897</b>	<b>724,542</b>	<b>567,489</b>

The 2022 audit was conducted by Ghislain Dochen, Réviseur d'entreprises, BE AUDIT SRL, whose offices are located in Belgium, Chemin du Stocquoy 3 – 1300 WAVRE (Registered office: Boulevard du Souverain 24 – 1170 BRUXELLES) [www.be-audit.be](http://www.be-audit.be) A copy of the Audit Letter is available on request at [admin@ecgi.org](mailto:admin@ecgi.org)

## Profit and Loss Account

	2023	2022	2021
	Euro	Euro	Euro
<b>Income/Expense</b>			
<b>Income</b>			
Subscriptions income	149,199	142,793	141,400
ECGRF Contribution	150,000	100,000	100,000
GCGC Income (contracted)	56,911	58,942	57,859
GCGC overhead (15%)	35,523	32,294	11,460
NFI Covid project (2021-2022)	0	74,421	20,000
Sponsorship	18,000	125,260	10,000
Bank interest/exchange rate loss/gain	2,401	25,103	3
<b>Total Income</b>	<b>412,033</b>	<b>558,814</b>	<b>340,722</b>
<b>Expenditure</b>			
<b>Administration</b>			
Accounting & Fin. charges	-31,006	-18,331	-12,381
Administration Charge	-161,534	-134,860	-114,481
IT & Online Services	-2,609	-2,862	-7,754
Office Rental	-7,136	-5,500	-5,500
Office expenses	-2,424	-902	-2,320
Travel and representation	-531	-123	-62
AGM	0	0	0
Miscellaneous	0	0	-11,430
Tax payments (VAT and Patrimoine)	-24,502	-12,171	
<b>Total Admin</b>	<b>-229,742</b>	<b>-174,748</b>	<b>-153,928</b>
<b>Research</b>			
Annual Lecture & Prizes	-32,290	-56,398	-10,000
Conferences & Workshops	-49,264	-54,169	-3,041
Research & Academic Staff	-6,400	0	-30,000
Research Communication	-53,839	-36,462	-38,778
Working papers	-33,040	-30,508	-21,082
Project Expenditure	-3,158	-50,858	-17,227
Online Research Portal (Cap Ex)	-30,992	-35,086	-50,236
<b>Total Research</b>	<b>-208,982</b>	<b>-263,480</b>	<b>-170,364</b>
<b>Total Expenditure</b>	<b>-438,724</b>	<b>-438,228</b>	<b>-324,292</b>
<b>Net Total Income</b>	<b>-26,691</b>	<b>120,586</b>	<b>16,431</b>

# MEMBERSHIP

The European Corporate Governance Institute is the home for all those who have an active interest and involvement in corporate governance. At the core of ECGI are the research members who are appointed on the basis of their significant contribution to the field of corporate governance study and are selected on the basis of strict criteria by a designated committee. ECGI distributes the work of the research members through its extensive global network which comprises of practitioner, academic and institutional members.

## **ACADEMIC MEMBERSHIP**

Open to individuals either employed by or engaged in full or part-time study in any accredited university or educational institution. Academic members are eligible for election as an academic representative on the ECGI Board. In 2023, the academic membership subscription was EUR 100 per annum.

## **INSTITUTIONAL MEMBERSHIP**

Open to companies, institutions and enterprises such as stock exchanges, regulators, investors, companies, rating agencies, stock price index producers and law firms, whether based in Europe or elsewhere. In 2023, the institutional membership subscription was EUR 2,750 per annum.

## **ACADEMIC INSTITUTIONAL MEMBERSHIP**

Open to universities, business schools, or other academic bodies whether based in Europe or elsewhere. In 2023, the institutional membership subscription was EUR 2,000 per annum.

## **PRACTITIONER MEMBERSHIP**

Open to private individuals or those in companies, institutions and enterprises who wish to join in their own right. Practitioner members are eligible for election as a non-academic representative on the ECGI Board. In 2023, the practitioner membership subscription was EUR 250 per annum.

## **PATRON MEMBERSHIP**

Patron Members are legal entities or individuals interested in corporate governance and are Patrons of the European Corporate Governance Research Foundations (ECGRF). They are appointed in agreement with the boards of ECGI and ECGRF.

## **RESEARCH MEMBERSHIP**

Research Members are individuals who have been appointed by ECGI. These include ECGI Fellows. In 2023, research membership was free.

\*\*\* ECGI is not responsible for, nor does it screen or certify the corporate governance policies or practices of its members. Membership of ECGI therefore should not be regarded or used as a sign or certification of corporate governance quality. However, ECGI research members are appointed following an appraisal by the committee.

Prices exclude VAT (21%). Anyone who wishes to apply for membership of the Institute can do so on the ECGI website.

More information is available at: <https://ecgi.global/content/become-member>



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