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Leading Research with Global Impact

2024 ANNUAL REPORT

European Corporate Governance Institute

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FOREWORD

Reflecting on 2024, it's impossible not to be struck by the scale of change and the weight of uncertainty that shaped the year—and carried into the next. The wars in Ukraine and the Middle East cast long shadows over global affairs, while political shifts and economic headwinds—particularly high interest rates and market volatility—kept everyone on their toes. At the same time, breakthroughs in AI and increasing pressure on companies to deliver on environmental and social goals continued to test the boundaries of governance as we know it.

Against this backdrop, ECGI remained steadfast—a place to share ideas, connect, and learn from one another. We reaffirmed our role as a vital forum for independent, interdisciplinary research on corporate governance.

This report pays testimony to a year of remarkable work across the network, with 149 new working papers and a record number of events and publications spanning the frontiers of law, finance, management, and public policy. The themes that emerged—climate governance, takeovers and M&A, corporate culture, investor stewardship, technology, and more—reflect the complexity of today's corporate landscape and the need for governance systems that are both resilient and adaptive. This resonated throughout the papers and event discussions.

Our flagship events in 2024 deepened these explorations. The Annual Conference in Brussels examined the "power of corporate culture" in shaping ethical and innovative firms, while the Responsible Capitalism Summit in Berlin issued a call for more decisive climate action. The Wallenberg Lecture delivered by Anat Admati challenged prevailing governance paradigms, asking tough questions about corporate accountability and societal impact.

Alongside our events, we launched a new website and expanded our newsletter offerings. The blog and conversation series continued to engage wide audiences with timely reflections and accessible thought leadership.

This report offers a window into our activity, but it's more than a record. It is a rich resource for members, researchers, policymakers, and anyone interested in the governance systems shaping our world. The breadth of topics, the originality of the research, and the energy behind the discussions speak for themselves.

These accomplishments are the result of a vibrant network: our scholars, members, partners, and supporters around the world. Thank you for being part of it, and for continuing to bring your insight, time, and generosity to this shared project. I look forward to what we'll do together in the years ahead.

MARCO BECHT
EXECUTIVE DIRECTOR

HIGHLIGHTS

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RESPONSIBLE CAPITALISM SUMMIT

SEPTEMBER 2024, BERLIN

The 2024 ECGI Responsible Capitalism Summit brought together thought leaders from academia, finance, business, and policymaking to discuss the urgent need to accelerate global progress toward net-zero emissions. Set against the backdrop of the 2015 Paris Agreement and the mounting climate crisis, the summit focused on how corporate governance and financial systems can drive the global transition to a low carbon economy.

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2024 ANNUAL CONFERENCE

OCTOBER 2024, BRUSSELS

The 2024 ECGI Annual Conference, hosted in Brussels, convened distinguished experts in corporate governance, law, finance, and policy for two days of in-depth discussion on *"Fostering Integrity and Innovation: The Power of Corporate Culture."* Addressing how corporate culture impacts governance, performance, and societal outcomes, the event explored both the potential and limitations of governance reforms in fostering responsible and resilient corporations.

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2024 WALLENBERG LECTURE

OCTOBER 2024, BRUSSELS

The 2024 Wallenberg Lecture was delivered by Stanford Professor Anat Admati. She presented a critique titled *"Whose Corporate Governance?"* in which she challenged the audience to rethink corporate governance from a societal perspective, arguing that current frameworks often enable corporations, especially large financial institutions, to evade accountability. Through powerful examples she illustrated how weak regulatory enforcement, misaligned incentives, and limited liability enable corporations to prioritise profits at the expense of public welfare.

2024 GLOBAL CORPORATE GOVERNANCE COLLOQUIUM (GCGC)

JUNE 2024, NEW YORK

GCGC 2024, hosted by Columbia Law School, NYC, showcased innovative research tackling critical governance challenges, with themes that spanned corporate purpose, environmental responsibility, and the evolving role of stakeholders in corporate law. A central theme was the movement toward a broader, stakeholder-inclusive view of corporate governance—a trend mirrored across diverse legal and financial landscapes.

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RESEARCH PAPER PRIZES

APRIL 2024

The 2024 prize papers from the ECGI Working Paper Series offered valuable insights into the evolving landscape of corporate governance, shedding light on the pivotal roles of ESG considerations in mitigating market power and the complex interplay between controlling shareholders and geopolitical dynamics. The papers made significant contributions to our understanding of market competition and corporate governance.

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NEW MEMBER NEWSLETTER

FEBRUARY 2024

In February 2024, ECGI introduced an exclusive monthly newsletter for members. The ECGI Members' Debrief provides a convenient digest of insightful takeaways and a roundup of the month's highlights, tailored specifically for our members working in practice and policy. In each edition, the Editor identifies and comments upon new ECGI working papers that catch his practitioner's eye, along with key market, regulatory & policy developments.

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NEW WEBSITE LAUNCH

FEBRUARY 2024

Also in February, ECGI launched a newly redesigned website aimed at enhancing user experience and furthering our mission of fostering open access research. This marks another milestone in ECGI's ongoing journey to promote good governance practices, paving the way for ever greater global impact.

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149 Working Papers

ECGI published 80 working papers in the Finance Series and 69 in the Law Series in 2024 covering a broad range of topics.

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61 Blog Articles

Emanating primarily from ECGI event collaborations, there were 61 blog articles in 2024, from as many individual contributors.

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13 Interviews

ECGI's Conversation Series produced 13 interviews in 2024, each highlighting recent work by ECGI Research Members.

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18 Newsletters

Two monthly newsletters, authored by Marleen Och and George Dallas, published 18 editions which reflected on corporate governance topics and highlighted ECGI research.

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25 Events

In 2024, ECGI supported 25 events around the world organised by Research Members and institutional partners. This includes events organised by ECGI independently.

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2024 ANNUAL CONFERENCE

The Power of Corporate Culture

3-4 October 2024 | Brussels, Belgium

In collaboration with Solvay Brussels School for Economics and Management at Université libre de Bruxelles, the 2024 ECGI Annual Conference took place in Brussels in October, on the theme of *"Fostering Integrity and Innovation: The Power of Corporate Culture."* The conference explored both the potential and limitations of governance reforms in fostering responsible and resilient corporations. Through keynotes, a panel discussion, and a powerful lecture, participants discussed the challenges of embedding cultural values within governance structures. They explored how companies can align purpose with strategy, regulatory standards, and societal expectations to build resilience and trust.

In his opening remarks, **Herman Daems**, ECGI Chair, positioned corporate culture as a foundational yet often overlooked element of effective governance. He suggested that the unique, intangible qualities embedded in corporate culture—values, beliefs, and norms—serve as powerful influences on decision-making.

The remarks laid the groundwork for the opening keynote by **Francesco Vanni d'Archirafi,** Chair of Euroclear, whose experience spans decades in finance and governance. D'Archirafi's address echoed Daems' sentiment, with a strategic focus on the practical role of culture in navigating the uncertainties faced by businesses today. In a world of rapid technological advancements, heightened regulatory scrutiny, and increased demands for sustainability, he suggested that corporate culture is not merely a reflection of governance but a critical driver of it. Governance structures form a framework for decisions, but culture—"the organisation's soul"—imbues these decisions with a sense of purpose and direction.

This deeper alignment between governance and culture, he argued, equips companies to prioritise resilience, ethical integrity, and stakeholder trust in turbulent times. Effective governance is increasingly seen not only as a means of ensuring compliance but also as a tool for embedding ethical and sustainable practices into the core of an organisation.

Through his lens as an economist and regulator, Professor **Mathias Dewatripont** provided an insightful briefing, exploring the intersections of corporate culture, banking regulation, and governance. Dewatripont emphasised the dual role of banking: as a critical yet inherently risky component of the economy. He began by recounting his foundational work with Jean Tirole, which conceptualised the governance of firms, particularly banks, through the lens of incomplete contract theory. This theory underlines the unique challenges in banking, where the typical creditor-shareholder dynamic is distorted due to the reliance on insured depositors as debt holders, necessitating a robust framework of regulation, supervision, and resolution (RSR).

The presentation delved into governance and culture, particularly the impact of shareholder-oriented incentives on risk-taking behaviours. Dewatripont criticised the prevalent compensation structures in banking, which often prioritise shareholder value over firm or societal value. He cited the European Banking Authority's data on high earners to illustrate the disparity in remuneration between retail and investment banking, arguing that this misalignment undermines efforts toward fostering a sustainable and responsible banking culture.

Saskia Slomp, CEO of EFRAG (European Financial Reporting Advisory Group), delivered a keynote address in which she explored EFRAG's evolving role, the development of European Sustainability Reporting Standards (ESRS), and the importance of corporate culture within this framework. She began by tracing EFRAG's history, noting its initial focus on financial reporting, including endorsing IFRS for the European Commission. Since 2018, however, EFRAG has expanded its mission to include sustainability reporting, reflecting the European Commission's Action Plan on Sustainable Finance.

EFRAG has a dual mission to integrate financial and sustainability reporting, ensuring businesses provide a holistic picture of their performance. Slomp outlined the ESRS, which operationalise the Corporate Sustainability Reporting Directive (CSRD). These standards are mandatory and directly enforceable across EU member states through delegated acts, bypassing national adaptation.

The panel, which included experts from EFRAG, BlackRock, and Euroclear, focused on the evolving role of corporate culture in governance, particularly within the context of the ESRS and CSRD. While panelists agreed on the importance of embedding culture into governance, they were equally candid about the challenges this entails—from the risk of culture washing to the complexities of global reporting standards.

The discussion emphasised that while regulatory frameworks like the CSRD and ESRS are crucial, meaningful cultural transformation requires a commitment that goes beyond compliance. For culture to truly matter, companies must adopt governance practices that encourage transparency, consistency, and long-term thinking at every level.

2024 WALLENBERG LECTURE

"Whose Corporate Governance?"

Delivered by Anat Admati (Stanford University and ECGI)

The 2024 Wallenberg Lecture, delivered by Professor Anat Admati of Stanford University, critically examined corporate governance's impact on societal welfare. Titled "*Whose Corporate Governance?*", the lecture highlighted systemic issues within the financial sector, including regulatory loopholes and complex corporate structures that enable corporations to evade accountability and externalise societal harms while prioritising profits and shareholder returns. Admati emphasised the need for a holistic approach to governance that integrates both external regulations and internal corporate policies to ensure corporations contribute positively to society.

A key aspect of Admati's observations centred on the legal concept of corporate personhood and limited liability. She argued that while these legal frameworks encourage innovation and beneficial risk-taking, they can also lead to misconduct and harmful behaviours with too little accountability. Her lecture called for a fundamental reassessment of corporate governance, urging attention to both external and internal governance mechanisms to ensure corporations serve society without profiting at the public's expense.

Admati also critiqued current executive compensation structures, noting that short-term bonuses often reward risky behaviour without holding executives accountable for potential long-term losses. She proposed that aligning executive rewards with long-term impacts could foster more sustainable decision-making within financial organisations.

The lecture challenged conventional perspectives on corporate governance, advocating for a system that balances profit motives with ethical, legal, and regulatory considerations to promote justice and fairness in society.

RESPONSIBLE CAPITALISM

A Decade After Paris: Accelerating Progress Towards Net-Zero

10 September 2024 | Berlin, Germany

The 2024 ECGI Responsible Capitalism Summit concluded at the French Embassy in Berlin on 10th September with a renewed sense of urgency as experts in corporate governance, finance, and international policy called for accelerated climate action. The summit brought to light critical new insights on how financial markets and corporate boards can drive the transition to a net-zero economy. In a memorable moment, **Jennifer Morgan**, State Secretary and Special Envoy for International Climate Action at Germany's Federal Foreign Office, issued a bold call to action, stating:

> "We're on the cusp of a great transformation but the cusp will remain a cusp and not actually move into the pace and scale that we need unless we have the kind of radical collaboration that we need in the spirit of the Paris Agreement".

She challenged companies and governments to upscale their commitments, pointing out that climate change is not a future problem but an immediate threat. Her remarks highlighted the need for cross-sector collaboration and policy alignment to prevent further delays in achieving climate goals.

Laurent Fabius, the architect of the Paris Agreement, delivered a reflective keynote in which he acknowledged the progress made since 2015 but cautioned that delaying action is not an option. His remarks resonated throughout the summit, particularly when he concluded that we must be honest about the challenges, but never give in to pessimism.

Robert F. Engle, Nobel Laureate in Economics, presented new metrics for measuring climate risk in financial portfolios, introducing the concept of climate beta, which quantifies a company's exposure to climate risk in financial terms. This new tool gives investors clearer insight into how climate change could trigger a financial crisis if banks and corporations continue to hold large stakes in high-emission industries.

He then introduced the concept of termination risk which is a long run risk for fossil energy companies and showed that they appear to respond to this risk in ways that are aligned with the Paris Agreement..

One of the key takeaways from the academic sessions was the stark finding that, despite increased commitments to decarbonisation, fossil fuel financing remains a major hurdle. Research presented at the summit revealed that many financial institutions continue to finance new oil and gas projects, undermining the global effort to limit warming to 1.5°C. Data presented at the conference revealed that despite public pledges, several institutions are still funding fossil fuel expansion, signalling the need for tighter regulation and more aggressive financial policies.

The summit also spotlighted bank exit policies as a key driver of decarbonisation. Research presented during the decarbonisation session showed that strong bank exit policies—which restrict financing to coal and high-emission industries—are already leading to measurable declines in coal plant activity and emissions reductions. This underscores the power that financial institutions hold in shaping the future of global emissions through capital allocation.

The discussions set a clear agenda for future action: firms must align their financial strategies with long-term sustainability, and governments must regulate financial flows to prevent further investment in fossil fuels. The event highlighted that while corporate commitments are increasing, the pace of real-world decarbonisation remains insufficient.

Programme

Opening Policy Keynote
Laurent Fabius, President of the Constitutional Council, France; Former Prime Minister of France; Former President of the Cop21 "Paris Agreement.

Academic Keynote
Robert F. Engle, Nobel Laureate (Economics) (2003); Emeritus Professor of Finance at NYU Stern School of Business.

Closing Policy Keynote
Jennifer Morgan, State Secretary and Special Envoy for International Climate Action at the Federal Foreign Office, Germany.

Academic Sessions:

Measurement and Effects of Bank Exit Policies
Presenter: Boris Vallée, Harvard Business School

Carbon Emissions and the Bank-Lending Channel
Presenter: Marcin T Kacperczyk, Imperial College.

Market Design for the Environment
Presenter: Estelle Cantillon, Université libre de Bruxelles

The Evolving Role of Greenhouse Gas Emission Offsets in Combating Climate Change
Presenter: Zachery Halem, Director, Lazard Climate Center

IN FOCUS

In Focus Monthly Newsletter

Authored by Marleen Och (KU Leuven)

The "In Focus" newsletter series, authored by Researcher, Marleen Och, applied fundamental research to some of the most pressing challenges of the future. Under the overarching theme of responsible capitalism, the newsletter re-evaluated the role businesses and markets play in global well-being. This discussion inevitably introduced a range of terminology and buzzwords, often ideologically charged and subject to diverse interpretations.

For instance, ESG—initially chosen as a value-neutral alternative to sustainability—has become a highly controversial topic. Among readers, perspectives were evenly divided between those who viewed ESG as a tool for achieving long-term shareholder value and those who believed it embodies a broader values-driven approach, prioritising societal benefits.

The Role of Investors

Moving from terminology to practice, the series examined the role of investors in driving meaningful change. A key topic explored was systematic stewardship, which assumes that large, diversified funds have a vested interest in shaping outcomes that benefit their portfolios in the long run, such as by mitigating climate risk, even if such actions require sacrifices from individual companies.

When considering how investors might influence corporate outcomes to reduce negative externalities, the debate centred on whether it is more effective to voice concerns or divest. A significant majority of readers agreed that investors have a crucial role in addressing climate risk, with almost 80% favouring engagement over divestment.

However, investors encounter substantial obstacles when attempting to make their voices heard. In many jurisdictions, legal uncertainties persist regarding the extent to which shareholders can influence corporate climate strategies. These challenges are further exacerbated by rising political tensions and regulatory restrictions. Approximately 70% of readers believed that regulation should provide better support for ESG shareholder proposals. Explicit votes on ESG topics, such as "say-on-climate," were discussed as a potential solution, though concerns remain that such mechanisms could become mere formalities rather than platforms for substantive debate.

Adding More Pieces to the Puzzle

Corporate behaviour is shaped by a variety of factors, many of which have been explored in the series. In jurisdictions dominated by controlling shareholders, corporate dynamics shift significantly. Understanding who these controlling shareholders are and what motivates them is a critical piece of the governance puzzle. Another potential force shaping governance is the role of retail investors. The intersection of new technologies, a new generation of investors, and growing societal discontent raised the question of whether retail investors could revolutionise corporate governance and make public companies more responsive to social concerns. A majority of readers felt this trend would remain a niche phenomenon.

The series also examined the somewhat elusive concepts of corporate culture and values. To make these terms actionable, concrete examples were used to frame decision-making processes.

Another issue considered was whether CEOs should take public stances on societal issues. Reader opinions were divided. While such stances can foster loyalty and community, they often lack substantive follow-through. Additionally, the increasingly close ties between business and politics present new governance challenges.

In cryptocurrency markets, governance concerns persist, exacerbated by the so-called "techbro culture." Calls for increased regulation continue to gain traction. Gender dynamics further complicate governance debates, as research suggests that women on boards improve environmental and social performance, and women-led funds are more engaged on these issues.

Regulatory Barriers and Incentives

The role of legislation in corporate governance has also been a central theme of the series. Effective regulation serves to deter harmful behaviour, yet weak enforcement creates loopholes that rational actors may exploit. One topic of discussion was the recalibration of directors' oversight duties as a mechanism for enhancing accountability.

Regulatory incentives, however, can sometimes send misleading signals. One example explored was whether voluntary carbon markets genuinely deliver "additionality" in emissions reductions. Criticism was directed at the push to scale up global carbon removal markets, which may divert attention from the more immediate need to cut emissions at the source.

Corporate transition plans were also examined, particularly the distinction between credible commitments and empty promises. Research indicates that both internal and external corporate governance play crucial roles in ensuring meaningful commitments.

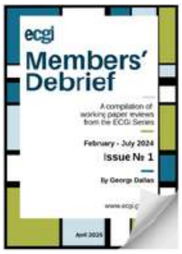
Throughout the series, corporate governance has been presented as a key tool for addressing contemporary challenges. The question then arises: Why not further regulate sustainable corporate governance? Initially, this was the idea behind the EU's Corporate Sustainability Due Diligence Directive (CSDDD), which sought to align corporate interests with those of management, shareholders, stakeholders, and society. However, what began as a "sustainable corporate governance" initiative evolved in a different direction. Despite this, the CSDDD remains a landmark development, both for the strategic shift it represents and for the resilience of those who worked to ensure its survival.

A Final Note

Despite an imperfect system and imperfect tools, countless individuals continue to strive for meaningful change. They identify flaws and propose solutions. Research plays a dual role—not only questioning the status quo but also inspiring action. Taking action remains a key objective, as the pursuit of responsible capitalism and sound corporate governance continues beyond this series.

2024 Editions

- CEO Activism
- Compensate or abate?
- CSDDD – Too big to fail?
- Crypto and Catastrophic Governance
- Shareholder (Dis)empowerment
- Commitment Issues
- Conflicting Cultures
- Cast Your Vote On Climate



The Members' Debrief

Authored by George Dallas, Head of Content, ECGI

In February 2024, ECGI introduced a resource exclusively for ECGI members called The ECGI Members' Debrief. This monthly newsletter was created to provide a timely, digestible overview of the latest developments in corporate governance and ECGI content.

Each edition brings to our attention three recent working papers which are critically reviewed through a practitioner's lens. These reviews often challenge easy assumptions and flags where academic logic may falter under real-world conditions. The tone is always thoughtful, measured, and genuinely constructive, with disagreement expressed in a collegial and inquisitive way.

On common ownership, Dallas questions whether investors truly operate as theorised, noting the disconnect between elegant models and the messy reality of investment decision-making. Similarly, in reviewing the role of proxy advisors, he pushes back on the idea that ISS serves as a coordinating mechanism for common owners, drawing instead on lived experience of institutional investors who expect—and demand—company-specific guidance.

The reviews often highlight the limits of governance mechanisms that appear sound in theory. Loyalty shares, for instance, are unpicked not on ideological grounds but due to operational impracticalities that render them inaccessible to many institutional investors. Placeholder CEOs are flagged as instruments of dynastic preservation—valuable, perhaps, to families, but misaligned with the interests of outside shareholders focused on long-term performance.

Dallas also raises red flags around well-intentioned sustainability structures. He notes that CSR committees may look good on paper but risk becoming symbolic if not tied to broader governance effectiveness or financial oversight. He's particularly sharp on green certification systems, warning of "warm glow" dynamics where consumers and investors seek affirmation more than accuracy.

What emerges across his commentary is a consistent call for rigour, nuance and practical realism. Governance structures, he argues, must be judged by their functionality, not their framing. He urges practitioners to look beyond surface metrics and ask harder questions about alignment, accountability, and impact—making the Debrief not just a summary of ideas, but a provocation to think more deeply about what responsible governance really requires.

Conversations Series

Interviews by Tom Gosling (LBS, LSE and ECGI)

In 2024, the ECGI Conversation Series continued to elevate the global dialogue on corporate governance by convening leading scholars to unpack their latest research. This year's series spanned thirteen engaging video interviews, offering a window into the academic thinking shaping boardrooms, markets, and regulatory landscapes. Across law, finance, and management, a few unifying themes emerged.

Reimagining Corporate Purpose and ESG

Several conversations explored the evolving role of ESG and stakeholder capitalism. Bond and Levit's paper, *"ESG: A Panacea for Market Power?"*, offered a theoretical lens on how moderate ESG commitments can foster competition and improve welfare, while aggressive policies risk backfiring. Servaes et al. posed a critical empirical question: Do consumers really care about ESG? The answer was nuanced—consumer preferences matter, but the degree of concern varies across dimensions and demographics. Meanwhile, Coles, Daniel, and Naveen used Elon Musk's pay package to challenge assumptions around incentives and shareholder value, illustrating the complexity of designing purpose-aligned executive compensation.

The Politics and Power of Corporate Law

The legal undercurrents of corporate governance featured prominently. Barzuza's *"Nevada v. Delaware"* dissected the competitive pressures threatening Delaware's dominance, linking them to broader governance implications. Milhaupt's *"(Geo)Politics of Controlling Shareholders"* reminded us that corporate control is not just a legal construct—it's geopolitical. These perspectives underscored the fragility of established governance models in an era of rising state and founder influence.

Shareholder Voice and Institutional Influence

The tools and limits of investor influence were scrutinised in multiple sessions. Kastiel and Nili examined the promise and perils of appointing 'specialist directors' under ESG mandates. Malenko, Hu, and Zytnick introduced the concept of customised proxy voting advice, revealing how institutional investors tailor voting recommendations to reflect their ideologies—a powerful shift away from standardised governance norms.

Climate Finance and Mental Models

An important contribution came from Bauer et al., who surveyed CFA-certified finance professionals to understand how they think about climate risk pricing. Their paper revealed deep heterogeneity—not just in beliefs, but in the mental models experts use to interpret data and market signals. This insight challenges assumptions about market rationality and informs how climate risk is—or isn't—being priced into assets.

Governance in Action: CEO Performance and Accountability

Two timely papers investigated how boards make high-stakes decisions about leadership. Jenter, Matveyev, and Roth questioned whether boards can accurately distinguish between 'good' and 'bad' CEOs.

Meanwhile, the analysis of Tesla's 2018 compensation scheme sparked broader reflection on accountability, ambition, and the media's role in shaping governance narratives.

Together, these conversations illustrated the dynamic interplay between theory and practice in corporate governance. From climate finance to CEO incentives, from the rise of Nevada to the personalisation of proxy voting, the 2024 series captured the complexity—and urgency—of governing in a shifting global economy.








2024 Featured Papers

Do consumers care about ESG? Evidence from Barcode Level Sales Data
Jean-Marie Meier, Henri Servaes, Jiaying Wei, Steven Chong Xiao (December 2023)

Pricing Corporate Governance
Albert H. Choi (July 2023)

Specialist Directors
Roy Shapira, Yaron Nili (December 2023)

Good and Bad CEOs
Dirk Jenter, Egor Matveyev, Lukas Roth (October 2023)

The Rise of Private Equity Continuation Funds
Kobi Kastiel, Yaron Nili (September 2023)

Nevada v. Delaware: The New Market for Corporate Law
Michal Barzuza (March 2024)

Custom Proxy Voting Advice
Nadya Malenko, Edwin Hu, and Jonothan Zytnick (April 2024)

The (Geo)Politics of Controlling Shareholders
Curtis Milhaupt (April 2023)

Climate-Related Shareholder Activism as Corporate Democracy: A Call to Reform "Acting in Concert" Rules
Dan Puchniak, Umakanth Varottil (July 2024)

ESG: A Panacea for Market Power?
Philip Bond, Doron Levit (December 2023)

Mental Models in Financial Markets: How Do Experts Reason About the Pricing of Climate Risk?
Rob Bauer, Katrin Gödker, Paul Smeets, Florian Zimmermann (June 2024)

Musk's $56 billion: Pay, Incentives, or Rewards?
Jeffrey L. Coles, Naveen Daniel, Lalitha Naveen (September 2024)

THE ECGI BLOG

In 2024, the ECGI Blog cemented its role as a platform for timely, accessible, and thought-provoking commentary on the evolving landscape of corporate governance. Across 61 articles, contributors engaged with a wide spectrum of issues. Many posts stemmed from ECGI's flagship events and collaborations.

Differential ownership and dual class shares

December 2023 - February 2024

This ECGI Blog mini-series brought together a range of international perspectives on the evolving role of dual-class share structures in corporate governance. The articles challenged the binary framing of such structures as either entrenching or enabling, instead revealing a more nuanced reality.

Alessio Pacces proposed that dual-class shares, when designed with conditionality, could align founder control with low-carbon innovation. Comparative insights from China showed how strict safeguards can mitigate governance risks in emerging markets experimenting with these structures.

Hiroyuki Watanabe's piece highlighted how takeover clauses influence the balance between control and accountability, while other contributors debated their use in Europe and the UK—questioning whether they are a solution to listing challenges or a threat to investor protection. A recurring theme was the importance of regulatory design: dual-class structures are neither inherently good nor bad, but their outcomes depend on the surrounding legal, institutional, and market context.

'The History of Business Law and Governance'

March 2024

In March 2024, the ECGI Blog published a special issue that traced the historical roots of modern corporate governance, offering reflections on enduring principles and persistent myths.

Susan Watson explored how early legal traditions gave rise to the duty of good faith, revealing a deep historical foundation for today's expectations of fiduciary conduct.

Steve Kourabas et al. illuminated the long-standing tension between corporate structure and individual accountability, and Sarah Haan challenged the widely held belief in shareholder passivity, showing how both legal frameworks and shifting demographics shaped participation over time.

Tim Bowley's account of investor stewardship in Australia traced the activist ethos of industry superannuation funds to their union-linked origins, illustrating how institutional history can inform present-day governance practices. The articles demonstrated that understanding the past is essential to navigating contemporary challenges—and that the DNA of today's corporate governance was written long before the modern corporation took shape.

Towards a New Model of Boards of Directors

May 2024

In a two-part series on the ECGI Blog, based on the IESE-ECGI Corporate Governance Conference, ten articles mapped a new terrain for boards of directors—one where effectiveness is measured less by structure and more by substance. The series painted a picture of boards in transition: from formal oversight bodies to dynamic, interactive teams navigating complexity, strategic ambiguity, and growing stakeholder scrutiny.

The contributors challenged many familiar assumptions. Hiring a CEO, for instance, isn't just about credentials—it's about cultural fit and timing. Shareholder activism? It may shape corporate outcomes even when proposals are withdrawn or defeated. And as expectations from institutional investors continue to rise, boards must not only listen more but interpret smarter. Behavioural dynamics, strategic interdependencies, and interpersonal trust featured heavily throughout the series, pushing beyond the traditional focus on composition and compliance.

The emerging message was that governance is no longer just about who sits at the table, but how they engage when they get there. This shift—towards human-centric, purpose-driven, and strategically embedded boards—demands new skills, new mindsets, and above all, a willingness to lead differently.

Insights from BRICS+ and the Global South

June 2024

In June 2024, the ECGI Blog spotlighted the evolving landscape of corporate governance in the Global South through a special issue focused on the expanding BRICS+ alliance. The series examined the diverse motivations and governance challenges faced by countries engaging with the bloc. Maximiliano Marzetti explored Argentina's decision not to join BRICS+, highlighting the bloc's lack of unified corporate governance standards and the strategic calculus behind remaining outside a politically complex alliance.

In contrast, Syrine Ismaili-Bastien analysed Egypt's accession, noting the potential benefits of New Development Bank financing —conditional, however, on improvements in transparency and investor confidence, especially in the context of Egypt's large informal sector.

Hagen Schweinitz and Sarah Mehrabani assessed Iran's governance reforms, including the 2018 Corporate Governance Code, while acknowledging persistent issues such as concentrated ownership and weak minority shareholder protections. Complementing these country studies, the lead article called for a rethinking of governance models in the Global South, arguing that imported frameworks often fail to address local institutional realities.

The articles painted a complex picture: BRICS+ may offer geopolitical opportunity, but without attention to context-specific governance reforms, its economic promise may remain under-realised.

Corporate Control and the Dynamics of M&A

July 2024

The July edition of the ECGI Blog in 2024 showcased cutting-edge research presented at the Eighth Annual MARC Conference, offering new insights into the evolving landscape of mergers and acquisitions. The articles examined the subtle forces shaping M&A—from executive incentives to antitrust blind spots. One study found that when firms announce acquisition intentions, the market listens—sometimes prompting more value-enhancing deals (Gokkaya, Liu & Stulz).

Another revealed how geography influences post-acquisition restructuring, with horizontal mergers prompting local closures and vertical deals preserving proximity advantages (Piotrowski, Harford & Qian). Several contributions sounded regulatory alarms: McClure, Kepler & Stewart argued that antitrust thresholds ignoring intangible assets may miss some of the most problematic mergers, while Golubov & Zhong showed how strict non-compete clauses can distort takeover dynamics, leading to fewer, more hostile bids.

Meanwhile, Bakke, Kronlund, Mahmudi & Virani demonstrated how bonuses linked to firm size can drive low-value acquisitions as executives chase growth metrics. These findings offered a nuanced look at the hidden incentives and overlooked risks that define today's M&A environment—and the critical role governance must play in keeping them in check.

2024 Global Corporate Governance Colloquium

July 2024

This double issue issue highlighted scholarship from the 2024 GCGC. Several articles challenged prevailing assumptions about corporate behaviour and public accountability. Elisabeth Kempf and Oliver Spalt showed that laypeople often view executive pay and layoffs as moral issues—judged more harshly than some ESG violations—suggesting that public trust hinges on ethical perceptions as much as compliance.

Jill Fisch and Jeff Schwartz asked how corporations became entangled in political discourse, arguing that so-called corporate political posturing often arises from social pressure and may be counterproductive. Giannetti et al. exposed a troubling disconnect between banks' green disclosures and their actual lending patterns, raising red flags around greenwashing.

Other contributions focused on boardroom composition, investor dynamics, and the legal evolution of governance systems. Nili and Shapira documented a shift toward board specialisation—bringing in ESG and tech experts—but warned of superficial "board washing."

Further articles examined the rise of private equity continuation funds (Kastiel and Nili), the doubling of profits despite halved public firm counts in the U.S. (Roe and Wang), and how institutional ownership has grown not only by fund flows but through corporate actions like buybacks (Brav, Lund, and Zhao). Finally, Kim, Kim, and Lee found that the mandatory bid rule, long debated in policy circles, does not discourage takeovers—but instead changes negotiation strategies.

Insights from The Asian Corporate Law Forum

September - October 2024

In 2024, ECGI co-sponsored the inaugural Asian Corporate Law Forum, held in Singapore, and the resulting ECGI Blog issue captured the rich diversity and complexity of governance across the region. The series featured articles that challenged universalist assumptions and highlighted the importance of culturally and institutionally grounded approaches.

One article explored Indonesia's abolition of independent director requirements—an act of regulatory autonomy that raises serious questions about oversight and accountability (Akbar, Mangunsong & Puchniak). In Japan, Dazai et al. examined how family-owned firms maintain strong performance despite minimal family shareholding, while Aronson and Matsunaka called for a clearer, more robust framework to regulate hostile takeovers.

Puchniak and colleagues revealed a surprising surge in shareholder activism in China, driven by market rules rather than political pressures. Kang illustrated the unique dynamics of South Korea's corporate control market, where chaebol dominance limits hostile bids despite weak formal defences. Goto reflected on the Fukushima TEPCO case to explore ESG oversight and director liability; Nurgozhayeva and Puchniak warned that globalising corporate purpose could resemble economic colonialism if not carefully framed; and Kamalnath investigated the regulatory challenge posed by finfluencers and social media.

The blog issue offered a compelling case for context-sensitive reform—where governance is not imported wholesale, but shaped from within, with an eye to social, political, and environmental realities on the ground.

Diversity, Democracy, and Shareholder Power

October 2024

This issue of the blog captured reflections from the ECGI–Swedish House of Finance Corporate Governance Conference, spotlighting how investor power and board composition are reshaping corporate oversight.

Luigi Zingales called for greater corporate democracy through mechanisms that give shareholders a voice on values—not just profits—arguing that capitalism's legitimacy depends on aligning corporate action with citizen preferences.

Wei Jiang highlighted a partisan realignment on U.S. boards, showing that as demographic diversity rises, so does ideological polarisation. She urged boards to expand diversity beyond race and gender to include education, experience, and political perspectives.

Jan Starmans explored the double-edged nature of ESG, showing how managers' strong social agendas can sometimes clash with shareholders' preferences, creating friction rather than alignment. Other articles examined the growing influence of institutional investors and the infrastructure behind it: Tove Forsbacka warned that proxy advisors like ISS may inadvertently coordinate strategies among commonly held firms, softening competition.

The series concluded with a broader look at how large investors shape corporate priorities—sometimes constructively, sometimes problematically—underscoring the delicate balance between investor stewardship and corporate autonomy.

Private Capital in Transition

November 2024

The November Issue brought together scholarship from the ECGI–Penn Carey Law conference on private equity and venture capital, highlighting the fast-changing dynamics of private markets and the legal frameworks struggling to keep up. Marc Moore and Chris Hale called for a "post-Jensenian" model to address new agency costs in diversified private equity firms where fee-based income may weaken alignment with investors.

Gad Weiss examined efforts to embed ethical constraints into AI startup governance but warned of unintended innovation trade-offs. Narae Lee's study of South Korea's government-led VC sector showed how public capital fosters growth but may limit fund manager autonomy.

Others exposed global structural tensions: Andrade and Pereira unpacked the "Cayman Sandwich" common in Latin America, which attracts capital at the cost of domestic legal development, while Abraham Cable critiqued opaque and often disadvantageous stock option structures in late-stage startups.

Trust-based governance, explored by Chaim and Eckstein, explained why institutional investors defer to founders in high-growth ventures. Articles on hybrid "chameleon capital" (Lalafaryan), LBO lending conflicts (Chen et al.), and SPACs as tools for regulatory arbitrage by Big Tech (Alon-Beck et al.) rounded out the issue.

Shining a Light on Modern Finance

February 2025

The next blog issue featured research from the 5th Annual Boca-ECGI Conference on Corporate Finance and Governance, offering fresh perspectives on topics ranging from climate finance and private equity to misconduct, regulation, and the role of venture capital. Stefano Pegoraro et al. revealed how prosocial investors appear to anticipate corporate misconduct, avoiding firms likely to face regulatory fines and lawsuits—though often at the cost of lower risk-adjusted returns.

Adelina Barbalau and Federica Zeni argued for smarter sustainable debt markets, calling for hybrid instruments and tighter reporting standards. On the frontier of financial innovation, Shirley Lu, George Serafeim, and Simon Xu showed how venture capital in climate-tech startups pushes incumbent firms to act on climate solutions, while Yingxiang Li found that greater regulatory transparency under Dodd-Frank increased capital participation in private equity by reducing agency frictions.

Kristina Lalova's study of private equity ownership in football raised questions about the trade-offs between profit and performance, particularly in women's teams. The articles emphasised how finance can be both a catalyst for change and a source of tension—where new tools, structures, and incentives continue to reshape governance and capital markets in profound ways.

Does Sustainable Investing Work?

April 2024

The question "Does sustainable investing work?" is not just a theoretical exploration but a crucial inquiry as the world faces mounting environmental and social challenges. In April 2024, led by Tom Gosling and Harald Walkate, the ECGI Blog issued a 'Call for Views' on this question. They posited that if sustainable investing is supposed to be impactful, it must pass through three phases—influencing company behaviour (stage 1), changing company practices (stage 2), and actually making a systemic dent (stage 3).

Through a series of interviews with experts, including Alex Edmans, Lisa Sachs, Edward Mason, Jim Whittington and others, Tom and Harald shed light on the complexities and real-world implications of sustainable investing.

A central theme that emerged is the multifaceted nature of sustainable investing. Harald Walkate aptly framed it as a "broad toolbox" encompassing strategies such as ESG integration, divestment, engagement, and impact investing. Yet, as Alex Edmans highlighted, the interpretation of sustainable investing varies widely, ranging from aligning investments with personal values to actively driving change.

The experts converged on the point that defining success in sustainable investing depends on clear objectives. Lisa Sachs pointed out that for many, ESG investing is about incorporating broader considerations into financial decisions. However, when it comes to pursuing real-world impact, the standard must shift to measuring tangible changes.

Despite the limitations expressed, the interviews highlighted successes in specific engagements. Mason recalled early investor dialogues with the oil and gas industry, which contributed to net zero pledges from major players. But these wins need to be contextualised within realistic goals, as pointed out by Walkate: influence often falls within a company's "zone of discretion," meaning actions that align with economic interests.

Edmans reinforced this notion by reminding us that while impactful change is achievable, investors must recognise when they are influencing low-cost, low-hanging-fruit solutions versus substantial systemic shifts.

The necessity for policy advocacy and public-private collaboration was also discusssed. Walkate's observation that sustainable investing can only be effective when it supports systemic public policy changes was echoed by Sachs, who called for investors to lobby not just for their interests but for comprehensive solutions that benefit society.

Mason provided a practical perspective on this, illustrating how collaborative policy work by industry groups can amplify investor influence. He referenced how European investors' support for ambitious emissions targets influenced EU policy decisions, showcasing a clear example of coordinated action having a tangible impact.

Walkate discussed how private investments often have higher "additionality," meaning they enable projects that might otherwise not be financed. Blended finance and venture capital, focused on scaling sustainable solutions, emerge as promising areas for those seeking both impact and return. The most effective path forward lies in a combination of targeted actions, collaboration with policymakers, and continued research.

2024 GLOBAL CORPORATE GOVERNANCE COLLOQUIUM (GCGC)

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).

gcgc Columbia Law School ecgi

2024 Global Corporate Governance Colloquium

14-15 June 2024 | New York, USA

GCGC 2024, hosted by Columbia Law School, NYC, showcased innovative research tackling critical governance challenges, with themes that spanned corporate purpose, environmental responsibility, and the evolving role of stakeholders in corporate law, particularly in the Global South. A central theme emerging from the discussions was the movement toward a broader, stakeholder-inclusive view of corporate governance—a trend mirrored across diverse legal and financial landscapes.

One of the most novel contributions came from Mariana Pargendler's paper on *"Corporate Law in the Global South: Heterodox Stakeholderism,"* which argued that countries in the Global South are pioneering alternative approaches to stakeholder governance. Unlike the shareholder-centric models prevalent in the Global North, these jurisdictions, including Brazil and South Africa, are implementing legal reforms that emphasise social welfare and accountability to a wider range of stakeholders. The paper highlighted how these legal systems are creating a "reverse convergence," as Northern jurisdictions increasingly recognise the need for similar stakeholder considerations.

On the environmental front, Pedro Matos presented findings from his co-authored study, *"Decarbonizing Institutional Investor*

Portfolios," that raise questions about the efficacy of investor-led climate initiatives. The research showed that while climate-conscious investors often decarbonise their portfolios by divesting from high-emission firms, this strategy, termed "portfolio greening," does not directly reduce emissions. Instead, these divested shares are frequently picked up by investors with less environmental focus, limiting the impact of such efforts on overall emissions. This finding supports the need for regulatory interventions to complement voluntary investor-led initiatives in combating climate change.

Other papers addressed the implications of governance structures and responsibilities. Yaron Nili and Roy Shapira's study on *"Specialist Directors"* examined the increasing appointment of board members with specific expertise, such as cybersecurity or climate risk, and the potential impact on board dynamics. While these appointments may bring valuable knowledge to corporate governance, they also risk authority bias and "board washing," where the mere presence of experts may not necessarily translate to effective change.

Elisabeth Kempf and Oliver Spalt's paper analysed how various corporate actions are perceived as moral issues by the public. Their findings showed that traditional corporate decisions, such as layoffs and CEO pay, are often viewed as moral concerns, sometimes even more critically than certain ESG policies.

Programme

"Glossy Green" Banks: The Disconnect Between Environmental Disclosures and Lending Activities
Presenter: Martina Jasova (Barnard College, Columbia University) Discussant: Boris Vallée (Harvard University)

Decarbonizing Institutional Investor Portfolios: Helping to Green the Planet or Just Greening Your Portfolio?
Presenter: Pedro Matos (University of Virginia and ECGI) Discussant: Marco Becht (Université libre de Bruxelles and ECGI)

Panel Discussion: **"What the Government Asks of Firms"** Moderator: Kathryn Judge (Columbia University and ECGI) Panelists: Peter Goodman, Economics Reporter, New York Times, Bharat Ramamurti, Former Deputy Director of the National Economic Council, USA

Half the Firms, Twice the Profits: Public Firms' Transformation, 1996- 2022
Presenters: Mark J. Roe (Harvard Law School and ECGI) Discussant: Tobias Tröger (Goethe University Frankfurt, Leibniz Institute SAFE and ECGI)

How Did Corporations Get Stuck in Politics and Can They Escape?
Presenter: Jill Fisch (University of Pennsylvania Law School and ECGI). Discussant: Matteo Gatti (Rutgers Law School and ECGI)



Adding to the environmental governance theme, Martina Jasova and Mariassunta Giannetti's paper, *"Glossy Green Banks,"* revealed a stark disconnect between European banks' sustainability disclosures and their actual lending practices. While many banks publicly promote green initiatives, the study shows they continue to lend significantly to high-emission industries without correspondingly increasing credit to greener sectors. This strategic signaling, often driven by reputational incentives, suggests a form of "greenwashing" within the financial sector. Their findings called into question the credibility of voluntary climate disclosures and reinforced the demand for stronger regulatory oversight and more reliable frameworks for assessing environmental impact in the banking industry.




Corporate Actions as Moral Issues
Presenter: Oliver Spalt (University of Mannheim and ECGI) Discussant: Stavros Gadinis (Berkeley and ECGI)

Flows, Financing Decisions, and Institutional Ownership of the U.S. Equity Market
Presenter: Dorothy Lund (Columbia University and ECGI) Discussant: Martin Schmalz (University of Oxford and ECGI)

Placeholder CEOs
Presenter: Yupana Wiwattanakantang (National University of Singapore and ECGI). Discussant: Ruth Aguilera (Northeastern University)

Specialist Directors
Presenter: Roy Shapira (Reichman University and ECGI) Discussant: Fabrizio Ferri (University of Miami and ECGI).

Corporate Law in the Global South: Heterodox Stakeholderism
Presenter: Mariana Pargendler (FGV Law School, São Paulo and ECGI). Discussant: Umakanth Varottil (National University of Singapore and ECGI)

The Global Corporate Purpose Continuum: The Case for Diversity
Presenters: Dan Puchniak (Singapore Management University and ECGI) Geneviève Helleringer (ESSEC Business School, University of Oxford and ECGI), Georg Ringe (University of Hamburg and ECGI). Discussant: Joon Hyug Chung (Seoul National University)







On the private markets side, Kobi Kastiel and Yaron Nili's analysis of *"The Rise of Private Equity Continuation Funds"* explored how these vehicles challenge traditional governance assumptions. Designed to allow private equity sponsors to retain control of high-performing assets beyond a fund's typical lifespan, continuation funds introduce significant conflicts of interest—especially when assets are sold from one fund to another under the same sponsor. The paper reveals that standard market mechanisms, such as reputational discipline and investor sophistication, are insufficient to mitigate these risks. Instead, the authors propose targeted regulatory reforms to improve transparency and align incentives. This work illuminated how evolving investment structures in private markets are testing the boundaries of fiduciary responsibility and investor protection.

Does Mandatory Bid Rule Discourage Acquisitions above the Threshold?
Presenter: Woochan Kim (Korea University Business School and ECGI). Discussant: Mireia Giné (IESE Business School and ECGI)

The Rise of Private Equity Continuation Funds
Presenter: Kobi Kastiel (Tel Aviv University and ECGI). Discussant: Simon Witney (London School of Economics)

The 2024 conference included a panel discussion on *"What the Government Asks of Firms"*. The session was moderated by Prof. Kathryn Judge (Columbia University and ECGI) and the panelists were Peter Goodman, Economics Reporter, New York Times, Bharat Ramamurti, Former Deputy Director of the National Economic Council, USA.

EVENT COLLABORATIONS

ECGI actively promotes engagement and collaboration with its members and partners through a wide range of dynamic events held around the world. These events, which include academic conferences, online lectures, and practitioner-academic forums, serve as powerful platforms for fostering insightful discussions that bridge geographical, industry, and academic divides. ECGI works closely with distinguished partner organisations to bring together diverse perspectives from global gatherings.

Discover our full event listing at: https://www.ecgi.global/events

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UNIVERSITY OF AUCKLAND Waipapa Taumata Rau NEW ZEALAND | BUSINESS SCHOOL

The History of Business Law and Governance Workshop

18 January 2024 | Melbourne, Australia

In January 2024, Monash Law's Centre for Commercial Law and Regulatory Studies (CLARS) invited researchers from around the world to share their work on the History of Business Law and Governance. The result was a masterclass for students of law, business and economics with many leads to follow.

US novelist William Faulkner once famously said 'The past is never dead. It's not even past'. CLARS first workshop for 2024 sought to examine this statement in the context of the history of business law and governance. Leading corporate law scholars from a range of jurisdictions, gathered at Monash University Law Chambers to examine the trajectory of business law and governance and the various theoretical and doctrinal twists and turns it has taken along the way.

Gordon Smith (BYU Law) analysed the transformation of U.S. corporate law in the late 19th century. He highlighted the shift from restrictive incorporation laws to enabling statutes in states like New Jersey and Delaware, facilitating the rise of modern capitalism. He argued that this evolution was driven by a societal shift in attitudes toward big business rather than solely by industrial advancements.

Susan Watson (University of Auckland) traced the duty of good faith back to oaths

taken by directors in 17th and 18th-century UK companies. She contended that these oaths aimed to ensure equitable treatment of minority shareholders, emphasising that directors' duties are owed to the company as a separate entity, thereby encompassing shareholder interests through their capital contributions.

Steve Kourabas and Nick Sinanis (Monash Law) examined the use of equity as an accountability mechanism in the 18th and 19th centuries. Their analysis provided insights into the historical foundations of director responsibilities in the UK, Australia, and the U.S.

Timothy Peters (University of the Sunshine Coast) concluded the session by exploring the concept of corporate office as both a mechanism of responsibility and a form of irresponsibility. He discussed how the role of corporate officers has evolved, balancing duties and obligations with the separation of personal intent from official actions.

Sarah Haan (Washington and Lee University) challenged a long-held belief in shareholder passivity. She argued that this narrative has obscured the role of law in shaping shareholder participation, suggesting that corporate law could have evolved differently with mechanisms facilitating active shareholder engagement.

Jennifer Hill (Monash University) critically examined the assumptions underlying agency theory since its prominence in the 1970s. She highlighted how these assumptions have become foundational in modern corporate law and governance,

Programme

Welcome and Introduction
Jennifer Hill (CLARS, Monash University and ECGI)

Session 1: **A History of Corporations and Corporate Fiduciaries**
Moderator: Tamara Wilkinson (CLARS, Monash University)

Creating the Modern Corporation
Presenter: D. Gordon Smith (Brigham Young University J. Reuben Clark Law School)

Good Faith and Corporate Purpose: An Origin Story
Presenter: Susan Watson (University of Auckland and ECGI)

A Historical Re-appraisal of the Director as a Fiduciary and a New Legal Basis for Director Accountability
Presenters: Steve Kourabas and Nick Sinanis (CLARS, Monash University)

On The History of Corporate Office
Presenter: Timothy Peters (University of the Sunshine Coast)

Session 2: **Corporate Theory, Shareholders and Stakeholders**
Moderator: Steve Kourabas (CLARS, Monash University)

The Pathology of Passivity: Shareholder Passivity as a False Narrative in Corporate Law
Presenter: Sarah Haan (University of Virginia Law School)

despite their potential shortcomings.

Tim Bowley (Monash Law) explored the historical development of Australia's industry superannuation funds, highlighting their emergence as a distinctive feature of the nation's retirement income system. He examined the socio-political and legal factors that led to their creation, emphasising the role of trade unions and collective bargaining in shaping these funds.

Donna Nagy (University of Indiana) analysed the evolution of U.S. insider trading laws, arguing that the legal framework has expanded beyond traditional fiduciary duty concepts to incorporate broader common law principles. She traced the historical development of insider trading regulations, highlighting key judicial decisions that have shaped the current legal landscape.

Tilly Clough (Queen's University Belfast) examined the historical role of the Charity Commission for England and Wales in regulating charitable organisations, focusing on its influence on charitable businesses. She discussed the Commission's evolution from its inception to its current form, analysing how its regulatory approach has impacted the governance and accountability of charitable entities.

Jenifer Varzaly (Durham University) presented an empirical analysis of the enforcement activities of the Australian Securities and Investments Commission (ASIC). She assessed the effectiveness of ASIC's enforcement strategies in promoting corporate compliance and deterring misconduct.

Finally Tom Gosling (London Business School) critiqued the current regulatory approaches to executive compensation, arguing that they often result in suboptimal outcomes for companies and stakeholders. He analysed the historical development of executive pay regulations, highlighting the unintended consequences of well-intentioned policies.

The videos of the presentations are available on the ECGI website.

The History of the Agency Theory of the Corporation and its Hidden Fallacies
Presenter: Jennifer Hill (CLARS, Monash University and ECGI)

Australia's Industry Superannuation Funds: An Origin Story
Presenter: Tim Bowley (CLARS, Monash University)

A History of CSR
Presenters: Victoria Barnes, Ciarán O'Kelly and Ciara Hackett (Queen's University)

Session 3: **Regulating Business in Different Contexts Around the World**
Moderator: Rosemary Langford (Melbourne Law School, University of Melbourne)

Beyond Fiduciaries—U.S. Insider Trading Law and a Broader Embrace of the Common Law
Presenter: Donna Nagy (Maurer School of Law, University of Indiana)

The Role of the Regulator in Charitable Businesses: Lessons Learnt from the History of the Charity Commission for England and Wales
Presenter: Tilly Clough (Queen's University Belfast, School of Law)

Evaluating ASIC Enforcement: Evidence and Implications
Presenter: Jenifer Varzaly (Durham University Law School)

Regulation of Executive Compensation: The Worst of All Worlds?
Presenter: Tom Gosling (London Business School and ECGI)

Closing Remarks
Victoria Barnes (Queen's University Belfast, School of Law)
Jennifer Hill (CLARS, Monash University and ECGI)
Susan Watson (University of Auckland and ECGI)

2024 Corporate Governance Symposium and John L. Weinberg/IRRCi Research Paper Award Competition

15 March 2024 | Delaware, USA

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 2024 annual corporate governance symposium in collaboration with ECGI. The symposium featured the winning papers of the 2024 John L. Weinberg/IRRCi Research Paper Award competition, highlighting innovative research and including an award of USD 10,000. The winners were announced during the programme and the semi-finalists also presented their papers.

The winning papers were:

Do Board Connections Between Product Market Peers Impede Competition?
Authors: Radhakrishnan Gopalan (Washington University in St. Louis, deceased), Renping Li (Washington University in St. Louis) and Alminas Zaldoka (National University of Singapore)

Renping Li presented their paper on how new board connections with market peers boost a firm's margins, raise consumer prices, and slow product innovation, with stronger effects when peers share customers or business similarities.

The Social Cost of Liquidity Disclosure: *Evidence from Hospitals*
Authors: Thomas Bourveau (Columbia University), Xavier Giroud (Columbia University, Yifan Ji (University of South Carolina) and Xuelin Li (Columbia University)

Thomas Bourveau discussed mandated liquidity transparency in non-profit U.S. hospitals leading to low-liquidity hospitals to improve finances by increasing patient admissions and charges, often through over-treatment. These actions boost revenues but reduce service quality, causing welfare costs like delays in critical care.

Specialist Directors
Authors: Yaron Nili (University of Wisconsin Law School) and Roy Shapira (Reichman University)

Roy Shapira discussed the rise of ESG-focused "specialist directors" on corporate boards in reshaping governance and societal impacts. While beneficial, this trend risks authority bias, board dynamics issues, and "board washing." Policy recommendations include improving expertise disclosure and oversight evaluations.

Also awarded at the conference was The inaugural Carl Liggio Memorial Paper Competition prize by the Association of Corporate Counsel which went to:

"Independent or Informed? How Combining the Roles of Corporate Secretary and Chief Legal Officer Impacts Legal Risk" by Jagadison Aier, Justin Hopkins, and Syrena Shirley.

The paper provided insights into whether a single executive should serve simultaneously as Corporate Secretary (CS) and Chief Legal Officer (CLO). The authors find that when the same individual holds both roles—a structure termed "CLO duality"—firms are less likely to face shareholder litigation, regulatory violations, and associated penalties.

These benefits, however, are not universal. The study shows that the advantages of CLO duality are concentrated in firms with highly independent boards, suggesting that board independence can counterbalance the risk of compromised objectivity in dual-role executives. In such cases, a well-informed CS/CLO can serve as an effective conduit of legal risk intelligence to the board.

A key theme at the conference was the integration of new data and technologies—such as generative AI—to assess corporate culture and policy disclosures, offering both innovative methodologies and new insights into firm behaviour. Several papers examined the real-world consequences of governance mechanisms, including how board connections between market rivals may dampen competition, how dual roles for legal officers impact risk, and how new SEC rules on pay-for-performance influence shareholder reactions and firm disclosures.

Another strong current was the deepening understanding of DEI and ESG—moving beyond demographics or ratings to assess perceptions, employee experiences, and consumer demand. Notably, papers revealed that investor rationales in proxy voting are both issue-specific and influential, and that ESG-conscious consumers can materially

Programme

Session 1: **ESG Issues**

Do Consumers Care About ESG? Evidence from Barcode-Level Sales Data
Presenter: Jean-Marie Meier (University of Pennsylvania). Discussant: Pedro Matos (University of Virginia and ECGI).

Polarization, Purpose and Profit
Presenter: Daniel Ferreira (London School of Economics and ECGI). Discussant: Shaun Davies (University of Colorado at Boulder).

Diversity, Equity, and Inclusion
Presenter: Simon Glossner (Federal Reserve Board). Discussant: Geoffrey Tate (University of Maryland).

Session 2: **Directors**

Do board connections between product market peers impede competition?
Presenter: Renping Li (Washington University in St. Louis). Discussant: Ran Duchin (Boston College).

Voting Rationales
Presenter: Irene Yi (University of Toronto). Discussant: Nagpurnanand Prabhala (Johns Hopkins University).

Specialist Directors
Presenter: Roy Shapira (Reichman University and ECGI).

Session 3: **Generative AI & Finance**

ChatGPT and Corporate Policies
Presenter: Jialin Qian (Georgia State University). Discussant: Wei Jiang (Emory University and ECGI).

Dissecting Corporate Culture Using Generative AI– Insights from Analyst Reports
Presenter: Chelsea Yang (University of British Columbia). Discussant: Francesco D'Acunto (Georgetown University).

shift sales patterns. One paper explored how consumers respond to firms' ESG performance using barcode-level sales data. It showed that higher environmental and social ratings are associated with increased local sales, particularly in higher-income and Democratic-leaning counties. It thus offered rare empirical evidence on the cash-flow channel of ESG, demonstrating that consumer preferences can reward firms for responsible behaviour and impose penalties for perceived shortcomings.

The Symposium also addressed the social costs of regulatory transparency and the economic forces driving board specialisation. Overall, the event highlighted the importance of evidence-based research to examine the intersection of governance, markets, and societal values.

Session 4: **Regulations and Disclosure**

The Social Cost of Liquidity Disclosure: Evidence from Hospitals
Presenter: Thomas Bourveau (Columbia University). Discussant: Tong Liu (MIT)

Regulatory Costs and Vertical Integration: Evidence from Supply Chain Disclosure Regulations
Presenter: Enshuai Yu (Boston College). Discussant: Ting Xu (University of Toronto)

Pay for Performance? CEO Compensation Alignment Post-SEC Rule Change
Presenter: Austin Starkweather (University of South Carolina). Discussant: Tara Bhandari (U.S. Securities and Exchange Commission)

17th Annual Corporate Governance Academic Conference at Drexel University

12 April 2024 | Philadelphia, USA

In April, The Raj & Kamla Governance Institute at Drexel University hosted the 17th Annual Corporate Governance Conference in collaboration with ECGI. The conference was divided into four sessions, providing a forum for scholars to examine how governance mechanisms intersect with incentives, disclosure, and firm value in dynamic capital markets. Spanning a wide array of themes, the conference explored the nuanced consequences of governance structures, executive compensation, mergers and acquisitions, and stakeholder engagement.

A prominent thread running through the conference was the unintended consequences of incentive systems. One study revealed how "growth-promoting" bonuses—executive incentives tied explicitly to firm size—can drive acquisitive behaviour that erodes shareholder value. These bonuses were shown to motivate mergers not for strategic alignment or synergy, but simply to meet sales targets and trigger lucrative payouts, resulting in lower acquirer returns. Another study, "*See the Gap*," highlighted how institutional investors often earn positive returns from M&A deals even when the acquiring firm's value declines. By trading strategically during deal negotiations, these investors can profit regardless of long-term outcomes, revealing a misalignment between firm performance and shareholder incentives.

The complexities of ownership and control were explored through the lens of dual-class share structures. A theoretical and empirical analysis found that while dual-class firms may benefit from stability and protection in their early years, those benefits decline over time. As such firms mature, their performance and valuation deteriorate relative to single-class counterparts, with agency costs rising. This research reinforced the call for time-bound or event-triggered sunset provisions to mitigate the long-term risks of entrenched control.

Disclosure emerged as another critical governance lever. A study examining the SEC's EDGAR system showed that enhanced access to compensation data led to a significant reduction in CEO pay, particularly at the upper end of the distribution. While this may reflect improved monitoring by investors and media scrutiny, the study also found that reduced equity-based incentives correlated with higher CEO turnover and diminished firm value—suggesting that well-intentioned transparency may have efficiency trade-offs.

Papers investigated the externalities of

Programme

Keynote Speaker
Alex Edmans (London Business School and ECGI)

Session 1: **Ownership Structure**
Chair: Tanja Kirmse (Miami University)

Production and Externalities: The Role of Ownership Structure
Presenter: Michael Wittry (Ohio State University). Discussant: Janet Gao (Georgetown University).

Dynamic Incentive Effects of Dual-Class Shares: Theory and Evidence
Presenter: Hyunseob Kim (Federal Reserve Bank of Chicago). Discussant: Todd Gormley (Washington University and ECGI).

Session 2: **Executive Compensation**
Chair: David Yermack (New York University and ECGI)

Does Enhanced Disclosure Curb CEO Pay?
Presenter: Ilona Babenko (Arizona State University). Discussant: Peter Iliev (Pennsylvania State University).

Pay for Performance? CEO Compensation Alignment Post-SEC Rule Change
Presenter: Austin Starkweather (University of South Carolina). Discussant: Lalitha Naveen (Temple University and ECGI).

Session 3: **New Ideas**
Chair: Ke Yang (Lehigh University)
Presenters:
Jay Cai (Drexel University)
Katheryne Holland (University of Missouri)
Lisa Liu (Columbia University)
Jean-Marie Meier (University of Texas Dallas)

See the Gap: Firm Returns and Shareholder Incentives
Presenter: Wenyu Wang (Indiana University). Discussant: Pedro Matos (Virginia University and ECGI).

corporate governance decisions. Using data from the coal industry, one study illustrated how changes in ownership structure and oversight—specifically, shifts from private to public ownership—increase production at the cost of worker safety. In contexts where stronger performance incentives replace close monitoring, firms may prioritise output over social outcomes. These findings highlight the broader societal impact of governance design, especially in industries with high externalities.

Session 4: **Mergers & Acquisitions**
Chair: Fei Xie (University of Delaware and EGCI)

Building Stakeholder Support through Corporate Philanthropy
Presenter: Cara Vansteekiste (University of New South Wales). Discussant: Simi Kedia (Rutgers University)

Growth-promoting Bonuses and Mergers and Acquisitions
Presenter: Hamed Mahmudi (University of Delaware). Discussant: An Yan (Fordham University).

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Climate and Corporate Governance Public Seminar

11 April 2024 | Singapore

The Climate and Corporate Governance Public Seminar brought timely insights into how legal and governance systems are adapting to the accelerating demands of climate action. A central theme was the emerging concept of "corporate climate governance"—the idea that climate disclosure mandates, though formally framed as transparency rules, are reshaping the contours of corporate purpose and fiduciary responsibility. Even minimalist regulations, such as those in the U.S., were shown to introduce "thin" governance duties, while European rules push toward "thicker" stakeholder integration models.

Complementing this, another presentation focused on how legal rules governing shareholder coalitions—specifically, "acting in concert" provisions—effectively block institutional investors from replacing boards that resist climate action. This paper made a strong case for reforming these outdated takeover laws to enable democratic, investor-led climate stewardship.

A third paper examined the global expansion of "corporate purpose," showing how powerful states, multinational firms, and transnational organisations are reshaping corporate mandates across borders. This extraterritorial influence raises new questions of accountability, legitimacy, and power, especially for the Global South.

Together, the presentations demonstrated that climate-related reforms are not just about environmental protection—they are actively redefining what corporate governance means in a global context.

Programme

Part 1: **How Climate Change is Reshaping Corporate Governance Globally**

Introduction
Dan W. Puchniak (Singapore Management University and ECGI)

Corporate Purpose Beyond Borders: A Key to Saving Our Planet or Colonialism Repackaged?
Presenter: Roza Nurgozhayeva (Nazarbayev University)

Corporate Climate Governance
Presenter: Virginia Harper Ho (City University of Hong Kong and ECGI)

Climate-Related Shareholder Activism as Corporate Democracy: A Call to Reform "Acting in Concert" Rule
Presenter: Umakanth Varottil (National University of Singapore and ECGI)

Part 2: **The Interface Between Climate Change and Directors Duties**

Introduction
Arjya B. Majumdar (Jindal Global University)

Panel: Own Jurisdiction
- India - Arjya B. Majumdar (Jindal Global University)
- Japan - Gen Goto (University of Tokyo)
- China - Kangle Zhang (Peking University)
- Singapore - Pearlie Koh (Singapore Management University)
- Australia - Steve Kourabas (Monash University)
- Taiwan - Andrew Lin (National Taiwan University)
- Korea - Joon Hyug Chung (Seoul National University)

Inaugural Asian Corporate Law Forum

12-13 April 2024 | Singapore

The Inaugural Asian Corporate Law Forum convened leading scholars and practitioners in Singapore to interrogate the evolving trajectory of corporate law across Asia. The conference illuminated the region's shifting governance paradigms and offered a comparative perspective on how legal norms are both shaped by, and resist, global influences. The event marked a pivotal moment for reconceptualising Asian corporate governance on its own terms—contextual, contested, and increasingly consequential to global markets.

A major theme was the divergence from Anglo-American models and the assertion of regionally specific governance frameworks. In *"The Abolition of Independent Directors in Indonesia: Rationally Autochthonous or Foolishly Idiosyncratic?"*, the authors challenge the global orthodoxy that prizes independent directors. They document Indonesia's 2018 decision to eliminate this requirement and assess its reliance on independent commissioners within a two-tier board system. While framed as a move toward legal autonomy and cultural fit, the analysis raises serious concerns about governance efficacy, particularly in state-owned enterprises rife with political entanglements.

This tension between local adaptation and global normativity also surfaced in *"Corporate Governance and Firm Performance: An Implication from Japanese Listed Family Firms."* The paper explores how heir-managing family firms in Japan—where executives often hold little equity—outperform peers, not because of concentrated ownership, but due to higher levels of managerial ownership. These firms, though seemingly inconsistent with conventional governance logic, demonstrate that incentive alignment, not ownership structure per se, can drive performance in

unique cultural and institutional contexts.

At the doctrinal level, debates on fiduciary responsibility and oversight liability took centre stage. *"ESG, Externalities, and the Limits of the Business Judgment Rule"* offers a powerful account of how Japanese courts—particularly in the landmark TEPCO case—are expanding directors' duty of oversight. The paper critiques this trend, warning that holding directors personally liable for failing to prevent environmental disasters may chill necessary risk-taking, thereby undermining innovation and long-term value creation.

The emerging influence of new actors and platforms was another focal point. *"Finfluencers and Other Tech Disruptions to Corporate Law"* investigates how social media personalities in India and South Korea are reshaping market behaviour. As young retail investors increasingly rely on online influencers, traditional gatekeepers like institutional investors and regulators face growing challenges. The paper advocates for balanced regulatory responses that address the risks of misinformation while preserving the democratic potential of digital finance.

A sharp empirical contribution came from *"The Overlooked Reality of Shareholder Activism in China: Defying Western Expectations."* This study reveals that shareholder activism is not only present but thriving in China, with private investors successfully targeting even powerful state-owned enterprises. Contrary to assumptions about political interference, the paper finds a surprisingly rules-based system of shareholder rights enforcement, suggesting that activism may become a cornerstone of Chinese corporate governance.

Programme

Welcome Remarks Dan W. Puchniak
Opening Address Lee Pey Woan

Similar Rhetoric, Different Elements, Converging Outcomes – A Comparative Review of Business Judgment Rule under the US and Korean Law
Presenter: Kyung-Hoon Chun • Commentator: Tomoyo Matsui • Chair: Sang Yop Kang

ESG and Directors' Duty: Externalities and the Limits of the Business Judgment Rule
Presenter: Gen Goto • Commentator: Alan Koh • Chair: Bruce Aronson

China's Rules-Based Free Market for Shareholder Activism: Empirical Mirage or Overlooked Reality?
Presenters: Zhang Wei & Zhou Chun • Commentator: Curtis Milhaupt • Chair: Kim Kon Sik

Comparative Corporate Governance from the Perspective of Japanese Listed Family Firms
Presenter: Zenichi Shishido • Commentator: Christopher Chen • Chair: Hidefusa Iida

Transnational Sustainable Finance: Clashing Conceptions of ESG Materiality in East Asia
Presenter: Virginia Harper Ho • Commentator: Roza Nurgozhayeva • Chair: Jennifer Hill

The Political Logic of Legal Transplant in China's Corporate Law: the Case of the Registered Capital Regime in the New and Newer Environments for Doing Business in the Xi Jinping Era
Presenter: Wang Jiangyu • Commentator: Christopher Chen • Chair: Pearlie Koh

Transforming Taiwan's Director Disqualification Regime to the Optimal Model
Presenter: Andrew Lin • Commentator: Joon Hyug Chung • Chair: Manabu Matsunaka

Several papers focused on hostile takeovers—a topic of renewed importance across Asia. In *"Designing a New Framework to Regulate Hostile Takeovers in a Changing Japan,"* the authors argue that Japan's fragmented regulatory environment, where courts play too dominant a role, hampers effective market discipline. They propose a new model, drawing inspiration from Australia, where takeover regulation is distributed among specialised institutions that promote both legal certainty and market efficiency. This critique was echoed in *"The Inefficiency of Hostile Takeovers as a Disciplinary Mechanism,"* which contends that infrastructure flaws—such as price distortions and weak information systems—can render takeovers a poor proxy for corporate accountability.

Finally, *"The Social Dynamics of Corporate Insolvency Law and Workers/Employees of Distressed Companies"* added a normative layer to the debate, highlighting the often-overlooked human dimension of corporate restructuring. Comparing insolvency frameworks across Asia, the paper calls for a rethinking of labour rights in the governance of failing firms and argues for a more inclusive notion of corporate stakeholders that transcends neoclassical economic assumptions.

Keynote Speech
by ACLF Distinguished Professor Kon Sik Kim

Finfluencers and Other Tech Disruptions – Implications for Corporate Law
Presenter: Akshaya Kamalnath • Commentator: Vivien Chen • Chair: Andrew Lin

Shareholder Appraisal Remedy in China: Empirical Research and Reform Suggestions
Presenter: Robin Huang • Commentator: Wang Jiangyu • Chair: Steve Kourabas

Designing a Legal System to Regulate Hostile Takeovers in Japan: Implications of the Australian Takeovers Panel
Presenters: Bruce Aronson & Manabu Matsunaka • Commentator: Jennifer Hill • Chair: Dan W. Puchniak

Unravelling China's Hostile Takeover Landscape: The Reduced Significance of Corporate Governance
Presenter: Sang Yop Kang • Commentator: Chao Xi • Chair: Lin Lin

The Social Dynamics of Corporate Insolvency Law and Employees of Distressed Companies: Comparing Select Asian Jurisdictions
Presenter: Surbhi Kapur • Commentator: Aurelio Gurrea Martinez • Chair: Stephen Bull

The ESG Exception to Fiduciary Duties
Presenter: Arjya B. Majumdar • Commentator: Virginia Harper Ho • Chair: Robin Huang

The Unanticipated Abolition of Independent Directors in Indonesia: Rationally Autochthonous or Foolishly Idiosyncratic?
Presenters: Royhan Akbar & Dan W. Puchniak • Commentator: Umakanth Varottil • Chair: Sirikanya Kovilaikool

Concluding remarks
Dan W. Puchniak Sirikanya Kovilaikool

IESE Business School University of Navarra Center for Corporate Governance   ecgi

Towards a New Model of Boards of Directors

15 April 2024 | Madrid, Spain

In April 2024, ECGI and the IESE Center for Corporate Governance co-hosted a forward-looking conference in Madrid to explore a critical question: how should corporate boards evolve to meet the demands of a rapidly changing world?

The event focused on two overarching themes: *What should boards focus on?* and *How should the board work?* These questions were addressed through five key topics: corporate purpose and sustainability, corporate strategy, leadership succession, board dynamics, and shareholder engagement.

The first area of focus was long-term strategy and value creation. Boards were encouraged to move beyond reactive oversight and take a proactive role in shaping the firm's direction, particularly regarding data, AI adoption, sustainability, and geopolitical risks. Strategy was framed not as an abstract concept but as a concrete set of decisions aligned with the firm's purpose and stakeholder expectations.

A second area was leadership development and CEO succession, where research shows many companies still fall short. Despite widespread claims that "people are our greatest asset," few firms have robust systems in place to develop future leaders. Boards must be more active in overseeing talent development and ensuring succession planning is both deliberate and forward-looking.

On board dynamics, speakers emphasised the human aspect of governance. Boards must operate as cohesive teams capable of managing bias, conflict, and complexity. This requires psychological safety, constructive

debate, and skilled chairpersonship. Structure alone is not enough; effectiveness depends on group culture, diversity, and a shared sense of purpose.

The conference spotlighted new research, including findings that show strong board collaboration correlates with long-term performance, and that board composition—especially specialist knowledge and contextual awareness—is crucial for firms navigating transformation. Evidence was presented on how forward-looking boards invest in training, scenario planning, and integrated thinking, helping firms remain adaptive and resilient.

Lastly, the conference explored the evolving nature of shareholder engagement, positioning it as a two-way dialogue. Boards must actively listen to investor concerns and integrate those insights into governance decisions. Speakers also stressed the growing importance of broader stakeholder engagement—including employees, regulators, and society at large.

Boards of the future will not just meet formal requirements—they will act as engaged, strategic teams navigating complexity with agility and purpose.

Programme

Session 1: **Boards, Purpose and ESG**
Presenter: Ruth Aguilera (Northeastern University). Discussant: Amir Licht (Reichman University and ECGI). Moderator: John Almandoz (IESE Business School)

Session 2: **Boards and CEOs Hiring, Development and Firing**
Presenter: Herminia Ibarra (London Business School). Discussant: Mireia Giné (IESE Business School and ECGI). Moderator: Marta Elvira (IESE Business School).

Session 3: **Boards and Corporate Strategy**
Speakers: Bruno Cassiman (KU Leuven and IESE Business School), Juan Alcacer (Harvard Business School), Carlos Torres (Chairperson of Banco Bilbao Vizcaya Argentaria (BBVA)). Moderator: Africa Ariño (IESE Business School)

Session 4: **Boards of Directors, Board Dynamics and Effective Teams**
Presenter: Anneloes Raes (IESE Business School). Discussant: Rodolphe Durand (HEC Paris). Moderator: Govert Vroom (IESE Business School).

Session 5: **Boards and Shareholders**
Presenter: Luca Enriques (University of Oxford and ECGI). Discussant: Dionysia Katelouzou (King's College London). Moderator: Gaizka Ormazabal (IESE Business School).

Session 6: **CEOs Panel: The Future of Boards of Directors Around the World**
Panelists: Anne Bouverot (Chairperson of Cellnex), William Connelly (Chairperson of Amadeus), Sophie L' Hélias (President of LeaderXXchange), Risto Siilasmaa (Chairperson of F-Secure, former Chairperson of Nokia). Moderator: Jordi Canals (IESE Business School).

Concluding remarks
Marco Becht (Université libre de Bruxelles and ECGI), Jordi Canals (IESE Business School).

The Law and Finance of Private Equity and Venture Capital

12-13 June 2024 | Pennsylvania, USA

The 2024 conference on the Law and Finance of Private Equity and Venture Capital offered a wide-ranging overview of the evolving private capital landscape. Across a diverse set of papers, several core themes emerged: the blurring line between debt and equity, the rising complexity of fund structures and governance, the challenges of investor protection in opaque markets, and the shifting role of law and regulation in shaping private market dynamics.

A notable insight was the way private credit has exploded in size and importance, now rivalling private equity in assets under management. Papers such as *The Credit Markets Go Dark* and *Chameleon Capital* documented how private credit is displacing traditional bank lending, allowing firms to borrow with fewer disclosure obligations and greater discretion—though at the cost of transparency and regulatory oversight. This "going dark" trend echoes similar shifts in the equity space and raises concerns about systemic risks and accountability.

Several papers explored how private equity firms are transforming internally. The classic Jensenian model of private equity, which centred on agency cost mitigation through concentrated ownership and incentives, is being challenged. Papers like *The Agency Costs of Multi-Product PE Suites* argued that the expansion of PE firms into large multi-product conglomerates introduces new agency conflicts, especially around fee structures and investor alignment. These developments raise questions about whether legacy governance models still apply in an increasingly financialised and layered private markets ecosystem.

Another strong theme was the inadequacy of legal tools in governing GP-LP relations. In *Opting Out of Court*, the authors demonstrated that informal norms and reputational dynamics, rather than litigation or contractual enforcement, dominate governance in private equity. This system favours large, sophisticated LPs who can negotiate side letters and enforce discipline through repeated interactions—leaving smaller LPs potentially exposed to abuse or underperformance without recourse.

The interplay between innovation, governance, and regulation also featured prominently. Papers like *Regulating in the Dark* and *Coopting Disruption* grappled with how regulatory frameworks should evolve in light of limited transparency and rapid change. The opacity of Form ADV disclosures and the patchy data landscape make informed regulation difficult, while some scholars warn of the risks of over-regulating based on flawed assumptions.

Venture capital, too, received nuanced attention. Research highlighted the distinctive governance dynamics in emerging markets, the gendered nuances of startup contracting (*Sex & Startups*), and the implications of institutional investor involvement in early-stage governance (*Navigating the Nexus*). Several papers addressed how government policy, national contexts, and institutional norms influence the design and success of venture capital models—from Korea to Latin America.

Another area of significant discussion was the rise of Net Asset Value (NAV) loans—a financing innovation that allows private equity funds to borrow against the value of their existing portfolios. In *Private Equity and Net Asset Value Loans*, the authors highlight how these loans offer liquidity and flexibility for general partners (GPs), especially when exit markets are closed. However, they also raise concerns about alignment, risk-shifting, and the potential for NAV-based lending to distort fund economics. These loans can create hidden leverage and weaken the classic LBO model's discipline, leading to calls for enhanced disclosure and clearer regulatory oversight.

The theme of government involvement in private capital markets was explored through comparative studies. Lessons from Government-Driven VC in Korea assessed the benefits and drawbacks of Korea's state-backed venture programs. While these initiatives catalyzed early-stage ecosystems, they also created unintended consequences, such as crowding out private investors and

Programme

Stock Options of Adhesion
Presenter: Abraham Cable. Discussant: Nyron Persaud. Chair: Simon Witney.

Appropriate Entrepreneurship? The Rise of Chinese Venture Capital and the Developing World
Presenter: Josh Lerner. Discussant: Luke Taylor. Chair: Simon Witney.

Venture Capital in Latin America: The Costs of the "Cayman Sandwich"
Speakers: Raphael Andrade, Alvaro Pereira. Discussant: Martin Gelter. Chair: Casimiro Nigro.

The Incorporation Patterns of 'Israeli' Startups
Presenter: Assaf Hamdani

Chameleon Capital
Presenter: Narine Lalafaryan

The Agency Costs of Multi-Product Private Equity Suites: Towards a Post-Jensenian Paradigm
Presenter: Marc Moore

Regulating in the Dark: The Unbundling of "Privateness" in Private Funds
Presenter: William Clayton

Opting Out of Court? Relational Contracting in Private Equity
Presenter: Kobi Kastiel

Private Equity and Net Asset Value Loans – Ticking Time Bomb or Ticking All the Right Boxes?
Presenter: Bobby Reddy

Private Equity Sponsors, Law Firm Relationship, and Loan Covenants in Leveraged Buyouts
Presenter: Yijia (Eddie) Zhao. Discussants: Ken Lefkowitz, Ryan T. Rafferty

fostering dependency on state capital. These findings offer lessons for other jurisdictions seeking to stimulate innovation through public-private venture models.

In a complementary vein, *Appropriate Entrepreneurship* explored how the rise of Chinese venture capital has influenced entrepreneurship in developing countries. The paper finds evidence that Chinese VC encourages "appropriate" innovation—defined as business models and technologies more suited to local conditions than those encouraged by Western capital.

Other papers explored the subtle power dynamics embedded in contractual arrangements. *Private Equity Sponsors, Law Firm Relationships, and Loan Contracts in LBOs* revealed that longstanding ties between sponsors and legal counsel can result in weaker loan covenants and greater default risk—indicating that governance concerns extend beyond boardrooms and into deal structuring itself.

From a legal theory perspective, *Unraveling the Web* examined the implications of opaque equity structures and "strategic silence" in startup ownership. The authors argue that as equity becomes more layered, customised, and untraceable, conventional disclosure-based approaches to governance may no longer be fit for purpose. Startups increasingly operate in environments where control is exercised through informal, relational means—posing challenges for regulators and stakeholders alike.

Finally, the paper *Coopting Disruption* raised a critical point about how legacy financial institutions engage with fintech startups. Rather than being displaced by disruptive innovators, incumbent actors often "co-opt" these technologies, embedding them into existing power structures. The result is not a revolution, but a recalibration of the financial ecosystem—with implications for competition, innovation, and regulatory design.

Navigating the Nexus: Institutional Investors and Startup Governance
Presenter: Danielle Chaim.

Executive Turnover at Dual-Class Firms
Presenters: Brian Broughman, Elizabeth Pollman.

Keynote speech
The Honorable Lori W. Will

Panel on PE & VC Research Around the World
Panelists: Gabriela Andrade Góes, Sheharyar Sikander Hamid, Narae Lee.

Overallocated Investors and Secondary Transactions
Presenter: Rustam Abuzov, Discussants: Oleg Gredil, Lauren Titus.

The Credit Markets Go Dark
Presenter: Elisabeth de Fontenay.
Discussants: Vince Buccola, Jeff Himstreet

Coopting Disruption
Presenter: Matt Wansley. Discussants: Abraham J. Kwon, Christopher Yoo

Panel on The Governance Structures of AI Ventures
Panelists: Idan Reiter, Amy Simmerman, Gad Weiss.

Unraveling the Web: Big Tech Directors, SPACs, and Antitrust Evasion Tactics
Presenter: Miriam Schwartz-Ziv

Throughout the conference, one of the clearest takeaways was the growing tension between legal form and financial reality. As private markets continue to expand and evolve, governance frameworks, investor protections, and regulatory models must adapt to new structures, instruments, and power dynamics. The private capital universe is no longer a niche corner of finance—it is central to how companies are funded, controlled, and scaled.

The Role of Family Firms in Long-Term Sustainability

12-13 June 2024 | Vilnius, Lithuania

The BFFI-ECGI Conference in Vilnius, held in June 2024, offered an in-depth exploration of the role family-owned firms play in promoting long-term sustainability and economic resilience. Hosted by ISM University of Management and Economics in collaboration with the Baltic Family Firm Institute (BFFI), the two-day event brought together academics, practitioners, and next-generation leaders to examine the strategic, financial, and cultural dynamics that shape family enterprises across Europe and beyond.

The central theme of the conference focused on how the unique governance structures and value systems of family firms position them to take a long-term view on business strategy, sustainability, and social responsibility. In contrast to publicly listed firms that may be pressured by short-term market expectations, family businesses often exhibit a more enduring commitment to values, legacy, and stakeholder engagement. The opening keynote by Dennis Jaffe, based on his study of over 100 long-lasting family firms, highlighted the power of cross-generational collaboration and the importance of aligning business and family agendas to ensure continuity and innovation.

A prominent theme across the academic sessions was the interplay between governance practices and resilience in family firms. Research presented by Alexander Dyck examined how family control relates to environmental performance, suggesting that these firms often outperform their peers on ESG dimensions when values-based governance is in place. Similarly, Igor Kadach's paper explored how family ownership influences CEO compensation and

governance frameworks, especially when ESG goals are incorporated.

Another line of inquiry focused on financial conservatism and risk management. Marc Steffen Rapp's study demonstrated how founding family firms tend to hold higher levels of cash reserves in response to labour market regulation, reflecting their aversion to risk, and long-term perspective. Meanwhile, Lien Vekemans explored how private family firms navigate access to credit, finding evidence of significant financing constraints but also showing how relational banking can mitigate such barriers.

Intergenerational dynamics and succession were another major focus. Anete Pajuste's research on first-generation transitions in Latvia revealed the challenges and opportunities associated with handing over control. The discussion was complemented by workshops that offered practical insights into succession planning and the formulation of family constitutions—tools that help codify values, align stakeholder expectations, and support smoother generational shifts. John Davis's keynote on founder-to-second generation transitions emphasised the need for clarity of purpose,

Programme

Keynote: "**Achieving Engaged Family Governance: Learning from 100-Year Families"**
Dennis T.Jaffe (Banyan Global Family Business Advisors)

Panel Discussion: **"Family Firm in Long-term Sustainability"**
Moderator: Olga Štangej (ISM University of Management and Economics). Panelists: Elizabeth Bagger (Avanti Family Business Advisory LLC, UK), Rasa Gulbe (DATI Group, Latvia), Andrius Kurganovas (BIRŽŲ DUONA, Lithuania), Kristel Meos (Zenith Family Office; Estonian Family Entrepreneurs Association).

Panel Discussion: "**Next Generation"**
Moderator: Ivars Bergmanis (ViaClarus). Panelists: Donatas Dailidė (DOJUS Group, Lithuania), Eva Fischer (Eva Fischer Business, Denmark), Jon Fossen-Thaugland (FLYT LEDELSE, Norway), Jānis Kossovičs (OPTIC GURU, Latvia), Simmo Kruustuk (Nõo Lihatööstus-Noo Meat Factory, Estonia).

Family-Controlled Firms and Sustainability
Alexander Dyck (University of Toronto and ECGI)

Family Firms in Entrepreneurial Finance
Mario Daniele Amore (HEC Paris and ECGI)

Exploring Access to Bank Loans in Private Family Firms
Lien Vekemans (Hasselt University)

Should the Next Generation Show that they are Proud?
Fabian Bernhard (EDHEC Business School)

Long-Lasting Enterprising Families
Dennis Jaffe (Banyan Global Family Business Advisors). Rūta Gadeliauskaitė (INVL Family Office).

shared ownership vision, and investment in the rising generation's capabilities.

A dedicated panel brought together young family business members from across the Baltics and Scandinavia, who spoke candidly about their aspirations, identity, and the delicate balance between legacy and innovation. Their reflections demonstrated a generational shift toward greater purpose-driven leadership and openness to external expertise, while remaining deeply rooted in family heritage.

A session on family offices shed light on the increasing professionalisation and diversification of family wealth management. Legal experts discussed the growing use of family governance agreements in the Baltics, especially in the context of the EU Corporate Sustainability Reporting Directive.

The conference concluded with a discussion led by Morten Bennedsen on the six dimensions of family business longevity—purpose, governance, stewardship, entrepreneurship, talent, and social capital. He pointed out that the endurance of family firms is neither accidental nor guaranteed, but rather the outcome of intentional practices, shared values, and continuous renewal.

Involving the Next Generation
Neus Feliu (Lansberg Gersick Advisors, Latin America), Anete Marhele (Eversheds Sutherland Bitāns and BFFI).

Difficult Conversations
Christina Wing (Wingspan Legacy Partners and Harvard Business School), Laimonas Skibarka/ Jurgita Karvelė(Sorainen, Lithuania).

Keynote: **"Succession Transitions from the Founder to Second Generation"**
John Davis (MIT Sloan School of Management and Cambridge Family Enterprise Group).

Baltic Family Firm Champions 2024 Awards
Moderator: Valdonė Darškuvienė (ISM University of Management and Economics and BFFI).

Keynote: **"Family Offices, Another Family Business"**
Christina Wing (Wingspan Legacy Partners and Harvard Business School).

Family Firm Performance and the First-Generation Change: Evidence from Latvia
Anete Pajuste (Stockholm School of Economics in Riga; BFFI and ECGI)

Better Safe Than Sorry – Labor Market Regulation and Cash Holdings of Founding Family Firms
Marc Steffen Rapp (Philipps-Universität Marburg)

Assessing CEO Compensation and Governance Practices in Family-Owned Businesses with an ESG Focus
Igor Kadach (IESE Business School)

"Prospering Across Generations: The Six Dimensions of Family Business Longevity"
Speaker: Morten Bennedsen (University of Copenhagen and ECGI). Discussant Fabian Bernhard (EDHEC Business School)

8th Annual Mergers & Acquisitions Research Centre Conference

18 June 2024 | London, UK

The Eighth Annual Mergers and Acquisitions Research Centre (MARC) Conference, held at Bayes Business School in June 2024, brought together scholars, regulators, and practitioners to explore cutting-edge developments in M&A activity. Set against the backdrop of rising regulatory complexity, digital disruption, and a more cautious macroeconomic climate, the conference highlighted the increasing need to understand M&A through a multidimensional lens.

One key theme was the importance of financial transparency and evolving disclosure expectations. The paper *How Does Financial Reporting Affect the Market for Corporate Control* presented evidence that stronger reporting standards improve the efficiency of takeover markets by reducing information asymmetry. Enhanced transparency was shown to influence both the number and nature of transactions, improving target visibility and sharpening valuation benchmarks. Similarly, *Is There Information in Corporate Acquisition Plans?* showed that pre-announced acquisition intentions contain meaningful signals for markets, influencing investor expectations well in advance of formal deals.

A related paper, *Competition Enforcement and Accounting for Intangible Capital,* argued that antitrust enforcement struggles to capture value creation in modern, intangible-heavy sectors. The analysis showed that failing to account for intangible assets may lead regulators to underestimate competitive harm or synergy potential, particularly in tech and services industries.

In parallel, *How Do Multiple Regulators Regulate?* examined the dynamics of fairness opinion disclosures in multi-regulator jurisdictions. The research found that overlapping mandates can result in inconsistent practices, regulatory gaps, or excessive compliance costs—each of which can affect the perceived fairness of transactions and create uncertainty during deal execution.

The private phase of bidding was another focal point. *Unravelling Bidding Strategies in M&A Transactions* used proprietary data to investigate the strategies employed before deals are made public. The paper found that early-stage bids—especially those that are strong and well-timed—play a decisive role in deal outcomes, often setting the tone for valuation and competition. These findings emphasise how much of the M&A process

takes place out of public view, long before formal disclosure or shareholder input.

Also drawing attention was *Non-Compete Agreements and the Market for Corporate Control*, which examined how the enforceability of executive non-competes affects deal flow. In states or countries with stronger enforcement, firms were less likely to pursue horizontal acquisitions—particularly where CEO mobility was constrained—highlighting the labour-market dimension of M&A strategy. The paper found that deal hostility and premiums also varied with local employment law, underlining how legal frameworks outside M&A regulation shape transaction structure.

On the operational side, *Geographic Overlap, Agglomeration Externalities, and Post-Merger Restructuring* explored how geographic proximity between acquirers and targets influences integration. When firms operated in overlapping regions, they were more likely to restructure aggressively post-merger, realising local synergies but also reducing employment and duplicative operations. In contrast, geographically dispersed mergers tended to preserve autonomy and decentralised operations.

The incentive structures behind deals were also scrutinised. *Growth-Promoting Bonuses and Mergers and Acquisitions* explored how executive bonuses tied to revenue or firm size drive acquisition strategy. The findings showed that such incentives may encourage larger or more frequent deals, but not necessarily better ones. In some cases, these bonuses contributed to value-destroying

Programme

Conference Opening
Scott Moeller (Bayes Business School)

Session 1: Chaired by Fangming Xu (University of Bristol)

Is There Information in Corporate Acquisition Plans?
Presenter: Rene Stulz (Ohio State University and ECGI). Discussant: Rebecca DeSimone (London Business School).

Geographic Overlap, Agglomeration Externalities and Post-Merger Restructuring
Presenter: Samuel Piotrowski (Norwegian School of Economics). Discussant: François Derrien (HEC Paris).

Session 2: Chaired by Lora Dimitrova (University of Exeter)

How Does Financial Reporting Affect the Market for Corporate Control?
Presenter: Paolo Volpin (Drexel University and ECGI)

How Do Multiple Regulators Regulate? Evidence from Fairness Opinion Providers' Conflict of Interest Disclosures
Presenter: Claudia Imperatore (Bocconi University)

Institutional Blockholder Networks and Corporate Acquisition Performance
Presenter: Marwin Mönkemeyer (University of Cambridge)

Unravelling Bidding Strategies in M&A Transactions: Evidence from the Private Phase of the Deal Process
Presenter: Mathieu Luypaert (Vlerick Business School)

acquisitions made for the sake of growth metrics rather than long-term strategy.

In *Institutional Blockholder Networks and Corporate Acquisition Performance*, the role of institutional investor networks was analysed. The study found that connected blockholders—who often sit on multiple boards or share common ownership in firms—can influence post-deal outcomes by enhancing monitoring and aligning incentives. These informal networks, though not always visible, may shape acquisition behaviour in ways that governance models fail to capture.

ESG considerations featured in several discussions. *Do Higher ESG Self-Disclosures by the Target Company in a Business Combination Transaction Help to Enhance Deal Outcomes?* found that robust ESG disclosures correlated with higher deal completion rates and smoother market responses. However, the paper cautioned that this relationship is highly contextual. The strategic objectives of the acquirer, and their own ESG orientation, significantly affect how target disclosures are interpreted.

Looking at broader market dynamics, *How Do Fairness Opinion Providers' Conflict of Interest Disclosures Affect Deal Regulation* focused on the potential for conflicts of interest in advisory services. The research revealed that even when disclosures are made, the complexity of multi-stakeholder environments can obscure material relationships—suggesting the need for simpler, more standardised reporting frameworks.

Complementing these academic presentations, the conference also featured an address on the UK's productivity puzzle. The keynote speaker, Yael Selfin from KPMG, explored how sluggish productivity growth affects M&A logic and expectations. The analysis connected macroeconomic trends to deal outcomes, suggesting that M&A alone cannot solve structural inefficiencies in labour markets or innovation systems.

Do Higher ESG Self-Disclosures by the Target Company in a Business Combination Transaction Help to Enhance Deal Outcomes?
Presenter: Kang Cheng (Morgan State University)

Session 3: Chaired by Liangrong Chunyu (University of Essex)

Competition Enforcement and Accounting for Intangible Capital
Presenter: Charles McClure (University of Chicago). Discussant: Olivier Dessaint (INSEAD).

Session 4: Chaired by Siyang Tian (University of Sussex)

Non-Compete Agreements and the Market for Corporate Control
Presenter: Andrey Golubov (University of Toronto and ECGI). Discussant: Micah Officer (Loyola Marymount University and ECGI).

Growth-promoting Bonuses and Mergers and Acquisitions
Presenter: Aazam Virani (University of Arizona). Discussant: Moqi Groen-Xu (Queen Mary University of London).

Concluding Remarks
Anh Tran (Bayes Business School)

ESG: Comparative Perspectives, New Controversies, and New Voices

24 June 2024 | New York, USA

The Millstein Center, in partnership with Weil, Gotshal & Manges LLP, Broadridge, and ECGI convened a conference on ESG, in memory of Millstein Center Founder and Weil, Gotshal & Manges LLP Senior Partner Ira M. Millstein. The conference, which brought together insights from the legal academy, the practitioner community, the regulators, and the various institutions involved in shareholder voting, offered a unique perspective on three ESG questions:

First: the US and EU have gone down quite different ESG paths. How so and why so?

Second: the SEC's "final" climate change disclosure rule is now under attack from various sides. What is the state of play? And irrespective of a litigation outcome, how will companies, especially multinationals, accommodate the diverse disclosure requirements of California, the SEC, the EU, and international standard setters like the ISSB?

Third: in response to client and political pressures, the asset managers have been working out systems of "pass-through voting" on various ESG-inflected proposals. How will these systems work and will they function as a meaningful channel for shareholder preferences?

Programme

Panel 1: **ESG Legislation and Regulation: E.U vs. U.S.**
Moderator: Merritt Fox (Columbia law school and ECGI) . Panelists: Jeffrey N. Gordon (Columbia law school and ECGI) , Stavros Gadinis (University of California and ECGI), Rebecca Grapsas (Weil, Gotshal & Manges LLP)

Conversation with Erik Gerding (University of Colorado School of Law). Moderator: Eric Talley (Columbia Law School and ECGI).

Panel 2: **ESG Landscape and Recent Developments in the U.S.**
Panelists: Michael Gerrard (Columbia Law School), Lyuba Goltser (Weil, Gotshal & Manges LLP), Chad Spitler (Third Economy).

Panel 3: **Pass-Through Voting and ESG**
Moderator: Dorothy Lund (Columbia Law School and ECGI). Panelists: Danielle Gurrieri (Broadridge), Elizabeth Kantrowitz (Institutional Shareholder Services, Inc.), Jonathon Zytnick (Georgetown Law).

SHoF - ECGI Corporate Governance Conference

27-28 August 2024 | Stockholm, Sweden

The 2024 SHoF-ECGI Corporate Governance Conference, held in Stockholm in August, explored the future of corporate governance in an evolving global landscape. With an overarching focus on how corporate governance can meet the rising societal, political, and environmental expectations placed on public firms, the two-day event explored urgent questions surrounding board diversity, shareholder democracy, institutional power, and the role of green finance.

The first day was framed around two high profile keynote presentations. The opening address by Luigi Zingales on *"Corporate Democracy"* questioned whether existing shareholder structures empower true democratic decision-making, sparking a debate on how governance could be reshaped to better reflect broader stakeholder interests. A follow-up panel on *"Shareholder Influence and the Greater Good"* explored tensions between investor goals and societal outcomes, highlighting the evolving role of investors in shaping corporate behaviour beyond profit maximisation.

Later, the keynote by Wei Jiang on *"A Diverse View of Board Diversity"* interrogated the assumptions behind diversity efforts, urging attendees to consider not just representation but meaningful inclusion. The day closed with a panel on *"Effective Boards in the Modern Era,"* where participants examined how boards must adapt to complex challenges such as geopolitical shocks, sustainability demands, and AI-driven business environments.

Day two included presentations that emphasised the multifaceted nature of modern governance. Several papers tackled the theme of investor influence. *"Delegated Blocks"* and *"Delegated Voters"* delved into the unintended consequences of institutional delegation, showing how the fragmentation of voting power can create governance gaps or misalign incentives. A related paper, *"The Proxy Advice Industry and Common Owners' Coordination,"* explored how proxy advisors and common ownership structures may subtly align votes across different firms, raising questions about the autonomy of corporate decisions.

Sustainability was another key focus. The paper *"Divestment and Engagement"* provided empirical evidence that green investors can meaningfully reduce corporate carbon emissions, particularly when engagement strategies are tailored and persistent. *"Sustainable Organizations"* challenged assumptions that stakeholder governance is inherently beneficial, showing that conflicting social priorities among stakeholders can at times weaken sustainability outcomes.

Other research presented offered granular

Programme

Keynote presentation: **"Corporate Democracy"**
Presenter: Luigi Zingales (University of Chicago and ECGI)

Panel discussion: **Shareholder Influence and the Greater Good**
Panelists: Luigi Zingales (University of Chicago and ECGI), Mireia Giné (IESE Business School and ECGI), Petra Hedengran (Investor AB).

Keynote presentation: "**A Diverse View of Board Diversity"**
Presenter: Wei Jiang (Emory University and ECGI)

Panel discussion: **Effective Boards in the Modern Era**
Panelists: Wei Jiang (Emory University and ECGI), Wilhelm Mohn (Norges Bank Investment Management), Ann Grevelius (Opti).

Divestment and Engagement: The Effect of Green Investors on Corporate Carbon Emissions
Presenter: Chong Shu (University of Utah). Discussant: Per Strömberg (SHoF/SSE and ECGI).

On a Spending Spree: The Real Effects of Heuristics in Managerial Budgets
Presenter: Denis Sosyura (Arizona State University). Discussant: Diogo Mendes (SHoF/SSE).

Delegated Blocks
Presenter: Amil Dasgupta (London School of Economics and ECGI). Discussant: Alvin Chen (SHoF/SSE).

Sustainable Organizations
Presenter: Jan Starmans (SHoF/SSE). Discussant: Jens Josephson (Stockholm University).

insights into the mechanics of influence and access. *"Institutional Mobility in Global Capital Markets"* explored how the movement of large investors across jurisdictions reshapes local corporate governance norms, while *"The Benefits of Access"* offered rare data on how private meetings between investors and firms can influence firm policies and market performance—raising transparency concerns in some contexts.

Behavioural governance themes also emerged. *"On a Spending Spree"* presented evidence that managerial budgeting decisions are often driven by heuristics rather than rational analysis, with real consequences for firm performance. This highlighted the need for boards to build oversight systems that account for human biases, not just structural risk.

While investor stewardship remains a potent force, the conference showed that it must be deployed with clarity, transparency, and accountability.

Institutional Mobility in Global Capital Markets
Presenter: Roger Silvers (University of Utah and ECGI). Discussant: Wei Jiang (Emory University and ECGI).

The Benefits of Access: Evidence from Private Meetings with Portfolio Firms
Presenter: Marco Becht (Université Libre de Bruxelles and ECGI). Discussant: Joel Shapiro (University of Oxford).

Delegated Voters
Presenter: Laura Starks (University of Texas Austin and ECGI). Discussant: Mireia Gine (IESE Business School and ECGI).

The Proxy Advice Industry and Common Owners' Coordination
Presenter: Tove Forsbacka (Norwegian School of Economics). Discussant: Luigi Zingales (University of Chicago and ECGI)

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The Corporate Governance of Global Power Sector Decarbonization

1 November 2024 | Online

This webinar collaboration focused on unlocking climate finance to support global power sector decarbonisation, in the lead-up to COP29. Drawing on research and policy insights, participants examined how corporate governance frameworks can mobilise the trillions needed for clean energy investment, especially in emerging economies. The discussion highlighted the critical role of reforming international financial institutions, rethinking sovereign risk, and fostering partnerships between state-owned utilities, private investors, and multilateral lenders. A central message was that better governance—at both the firm and system level—is essential to bridging the climate finance gap and accelerating the global energy transition.

Programme

The economic case for climate finance at scale
Patrick Bolton (Imperial College London and ECGI), Alissa M. Kleinnijenhuis (Cornell University and Imperial College London).

Panelists:
Franklin Allen (Imperial College London and ECGI), Nuno Fernandes (IESE, EIB, and ECGI), Alexander Wagner (Swiss Finance Institute, University of Zurich and ECGI). Moderator: Anastasia Pappas (Founder and President of E-Axes Forum).

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SMU Singapore Management University | Centre for Commercial Law in Asia | NUS National University of Singapore | EW Barker Centre for Law & Business Faculty of Law | ecgi

Shareholders and Corporate Governance: A Tribute to Randall Thomas

4-5 November 2024 | Bolzano, Italy

The “Shareholders and Corporate Governance” conference, held in November 2024 in honour of Professor Randall Thomas, brought together leading scholars to explore the evolving role of shareholders in corporate governance. Across two days of insightful presentations, the conference paid tribute to Thomas’s influential work while extending it into new domains—most notably international shareholder activism, investor preferences, and the mechanisms of shareholder engagement.

One theme was the diversification of shareholder interests and the challenges this presents to governance structures traditionally designed around shareholder primacy. The paper *"Shareholder Preferences and Corporate Behavior"* examined the heterogeneous goals of shareholders, including a growing bloc willing to sacrifice profits for broader social or environmental objectives. However, it cautioned that current governance mechanisms, especially the shareholder franchise, are unlikely to translate these preferences into significant corporate change unless more fundamental reforms are considered.

A complementary perspective emerged from *"Shareholder Engagement Inside and Outside the Shareholder Meeting"*, which emphasised the rise of multifaceted engagement strategies. It documented how retail and institutional investors alike are leveraging both traditional forums—like the shareholder meeting—and digital platforms to exert influence. The authors argued that while engagement is more dynamic than ever, ensuring transparency and accountability across these diffuse channels remains a pressing governance challenge.

Other presentations explored more practical and legal dimensions of shareholder power. For example, discussions delved into how shareholder activism operates across borders, the role of NGOs in engagement campaigns, and the growing sophistication of investors using both voice and exit strategies to influence firms. Several sessions addressed the mechanics of shareholder meetings and regulatory frameworks, weighing their effectiveness in facilitating meaningful investor participation.

Programme

Shareholder Litigation in Delaware: An Empirical Investigation
Presenter: James D Cox

Shareholder Preferences and Corporate Behavior
Presenter: Merritt Fox

Shareholder Engagement Inside and Outside the Shareholder Meeting
Presenter: Jennifer Hill

The Long-Term and the Short-Term Versus the Engaged and the Exiting Shareholder
Presenter: Christoph Van Der Elst

Governing Through Votes: Shareholder Responses to Major Environmental and Social Incidents
Presenter: Ronald Masulis

Climate and Human Rights Activists Turning Themselves into Shareholders
Presenter: Hans de Wulf

Fiduciary Law and the Modern Corporation
Presenter: Gordon Smith

Death by a Thousand Cuts: The Hostile Bids Regime in Europe, 2004-2023
Presenter: Luca Enriques

The Overlooked Reality of Shareholder Activism in China: Defying Western Expectations
Presenter: Dan Puchniak

The Interests of the Shareholders
Presenter: Susan Watson

The Business Judgment Rule in Brazil
Presenter: Marcelo Veiga

The Directive 2004/25/EC on Takeover Bids – An Academic Reflection
Presenter: Blanaid Clarke

2024 Berkeley - ECGI Forum on Corporate Governance Paper Award Competition

15-16 November 2024 | California, USA

The 2024 Berkeley-ECGI Forum on Corporate Governance Paper Award Competition showcased a diverse set of innovative papers that tackled pressing questions at the intersection of environmental, social, and governance (ESG) concerns and corporate structure. Held over two days, the event provided a platform for scholars to debate the efficacy, trade-offs, and future direction of ESG-related governance reforms.

Several papers explored how corporate governance frameworks interact with social and political forces. For example, *"The Political Carbon Cycle"* examined the interplay between firm-level carbon disclosures and local political ideologies, showing how environmental transparency can be influenced by political incentives and strategic considerations. Similarly, *"Poor ESG"* challenged the prevailing narrative that climate stewardship uniformly benefits society, highlighting how such initiatives can have regressive effects on disadvantaged communities.

Disclosure and transparency emerged as major themes. *"Dark Accounting Matter"* raised concerns about the use of opaque financial reporting to obscure social and

Programme

Publicly Traded Public Benefit Corporations: An Empirical Investigation
Presenter: Jens Dammann

The Anatomy of Nonprofit Control
Presenter: Ofer Eldar

Poor ESG: Regressive Effects of Climate Stewardship
Presenter: Assaf Hamdani

Expanding Shareholder Voice: The Impact of SEC Guidance on Environmental and Social Proposals
Presenter: Kenneth Khoo

Keynote: The Failures of External Corporate Governance: Why "Good" Internal Corporate Governance is Not Always Good
Presenters: Anat Admati, Nate Atkinson

Dark Accounting Matter
Presenter: Coleen Honigsberg

Corporate Governance for Social Conflicts
Presenter: Stavros Gadinis

environmental liabilities. Meanwhile, “Expanding Shareholder Voice” traced the tangible impact of SEC guidance on shareholder proposals related to environmental and social issues, providing evidence that regulatory signals meaningfully shape investor behaviour.

Other papers turned to institutional actors and market mechanisms. Awarded one of the conference prizes, *“Green Gatekeepers”* dissected the role of ESG rating agencies, revealing how rating methodologies and incentives affect the flow of sustainable capital. *“Mitigating Corporate Washing”* offered solutions to the rising concern over firms’ exaggerated sustainability claims, recommending stronger internal governance measures and verification processes.

Keynote speeches bookended each day. The first, titled *“The Failures of External Corporate Governance,”* argued that traditional shareholder-based mechanisms often fall short in managing the broader social responsibilities of corporations. The second keynote, *“Environmental Stewardship and Corporate Governance,”* urged companies to rethink internal governance structures to better integrate long-term sustainability goals.

The Political Carbon Cycle
Presenter: Dhruv Aggarwal

Mitigating Corporate Washing
Presenter: Atinuke Adediran

Green Gatekeepers
Presenter: Andrew Tuch

Shareholder Preferences and Corporate Behavior
Presenter: Merritt Fox

The Rhetoric and Reality of Shareholder Profit Maximization
Presenter: Claire A. Hill

ESG Overperformance? Assessing the Use of ESG Targets in Executive Compensation Plan
Presenter: Adam B. Badawi

Private Profits and Public Business
Presenter: Aneil Kovvali

Keynote: **Environmental Stewardship and Corporate Governance**
Presenters: Stavros Gadinis, Jeffrey Gordo

A New Era of Unsolicited Takeovers in Japan

18 November 2024 | Tokyo, Japan

The ECGI–Waseda conference held in Tokyo in December examined the emerging wave of unsolicited takeovers in Japan and their broader implications for corporate governance reform. Long considered resistant to hostile M&A, Japan has witnessed a sharp uptick in unsolicited bids—many of them launched by domestic firms—challenging long-standing norms around management entrenchment and cross-shareholding.

The conference explored how these developments reflect a growing recognition that stronger market discipline may be necessary to drive corporate efficiency and unlock shareholder value. Presentations highlighted how traditional defences, such as stable shareholder arrangements and management-friendly boards, are weakening under pressure from institutional investors and governance-focused reforms. Notably, recent policy shifts by the Tokyo Stock Exchange and Japan's Financial Services Agency were credited with encouraging greater capital efficiency, improved disclosure, and stronger investor engagement.

Programme

Opening Remarks
Eiichi Tomiura (President and CRO RIETI), Hideaki Miyajima (Waseda University and RIETI), Kazunori Suzuki (Waseda University and ECGI)

Keynote Speech: **"Barbarians at the Gate: Should Boards Just Say No?"**
Chair: Hideaki Miyajima (Waseda University and RIETI), Speaker: Marco Becht (Université libre de Bruxelles and ECGI)

Round Table: "**How Should Japanese Firms and Institutional Investors Cope with an Unsolicited Acquisition Offer?"**
Moderator: Kazunori Suzuki (Waseda University and ECGI). Panelists:
Marco Becht (Université libre de Bruxelles and ECGI), Hideaki Miyajima (Waseda University and RIETI), Wataru Tanaka (University of Tokyo), Yuko Yoshitomi (Recof Data Corporation), Atsuko Furuta (Deloitte Tohmatsu Equity Advisory).

5th Annual Boca Corporate Finance & Governance Conference

13-14 December 2024 | Madrid, Spain

The 5th Annual Boca-ECGI Corporate Finance and Governance Conference, hosted by Universidad CEU San Pablo in Madrid, offered a compelling view into the evolving landscape of corporate finance, sustainability, and governance. With a diverse agenda spanning fintech, bond markets, climate finance, private equity, board dynamics, and misconduct, the conference brought together academics and industry voices to examine the practical challenges and theoretical frontiers of modern governance.

Two papers were awarded prizes. One explored how prosocial investors adjust portfolios in anticipation of corporate misconduct, weighing ethics against returns. Another highlighted inefficiencies in green and sustainability-linked bond issuance, advocating for smarter contract designs that align market incentives with climate goals.

Private equity featured prominently, with papers assessing its influence on football clubs' performance, its role in financing climate-tech innovation, and the regulatory trade-offs of increased oversight. These contributions sparked discussion about balancing financial intermediation, transparency, and long-term value creation.

Boca-ECGI Corporate Finance and Governance 2024 Best Paper Awards:

"ESG Sentiment: A Revealed Preference Approach"
Stefano Pegoraro (University of Notre Dame), Antonino Emanuele Rizzo (ESADE), Rafael Zambrana (University of Notre Dame)

"The Optimal Design of Green Securities"
Adelina Barbalau (University of Alberta), Federica Zeni (The World Bank)

Best Discussant Awards:
Andréanne Tremblay-Simard (Université Laval) and Francois Derrien (HEC Paris).

Additional sessions examined how venture capital catalyses climate innovation, how private equity reshapes performance outcomes, and how governance tools can better manage misconduct risks. A cross-cutting theme emerged around the need for governance structures to adapt to complexity—where environmental risk, social preferences, and regulatory intervention intersect.

Indiana University - ECGI Online Series

February - May 2024 | Online

2024 Lectures

The Governance of Certification Agents
Speaker: Jess Cornaggia (Smeal College of Business, Penn State University)

ESG vs System-Level Investing
Caroline Flammer (Columbia University and ECGI)

Can We Trust ESG Research?
Alex Edmans (London Business School and ECGI)

Incentives and Promotions
Kelly Shue (Yale University and ECGI)

Applications of AI tools for Governance Research
Sean Cao (University of Maryland)

In 2024, Kelley Business School and ECGI hosted a lecture series addressing some of the most urgent methodological and conceptual challenges in contemporary corporate governance research.

The series opened with a deep dive into how ESG raters, proxy advisors, and auditors influence corporate behaviour and investor decisions. The discussion emphasised the growing need for accountability and transparency in how certification agents derive and apply their judgments.

The next lecture explored the evolving goals of institutional investors. It questioned whether firm-level ESG assessments can deliver the systemic change that many investors now seek—especially in relation to climate risk and financial stability.

The third lecture addressed reproducibility, conflicts of interest, and the reliability of widely cited ESG studies. It raised critical questions about data access, methodological opacity, and the role of academic incentives in shaping research narratives.

Then the spotlight turned inward, probing how the academic reward structure may skew governance research. The discussion unpacked the tension between intellectual independence and professional advancement, especially in a field where commercial interests and public trust often collide.

The series concluded with a glimpse into how large language models and machine learning are reshaping how we collect, interpret, and generate governance data—presenting both powerful opportunities and new ethical dilemmas.

2024 PRIZES

Prizes Awarded for Geopolitics and ESG Papers

The 2024 ECGI Law Prize for the Best Paper in the ECGI Law Working Paper Series in 2023 was awarded to:

Curtis J. Milhaupt (Stanford University and ECGI) for his paper:

"The (Geo)Politics of Controlling Shareholders"
(ECGI Law Working Paper 696/2023).

The paper sheds light on how controlling shareholders—especially state actors, family dynasties, and influential entrepreneurs—exert power with political and geopolitical ramifications, creating complex governance challenges. It makes a substantial and novel contribution to the literature on corporate governance and controlling shareholders by analysing how the features of firms with controlling shareholders enhance their geopolitical significance, and by advocating for the study of corporate governance to extend beyond traditional economic analysis to incorporate geopolitical and political-economic dimensions.

The 2024 Intesa Sanpaolo Finance Prize for the Best Paper in the ECGI Finance Working Paper Series in 2023 was awarded to:

Philip Bond (University of Washington)
Doron Levit (University of Washington, ECGI and CEPR) for their paper:

"ESG: A Panacea for Market Power?"
(ECGI Finance Working Paper 947/2023).

The paper analyses the impact of ESG commitments on inter-firm competition and stakeholder welfare, demonstrating that while moderate ESG policies may foster positive outcomes, overly aggressive ESG agendas risk reducing competitiveness and harming stakeholders. Bond and Levit's concept of an "ESG cycle" further illustrates the interplay between moderate and aggressive ESG policies. They argue that profit-maximising firms have strong incentives to outdo their competitors' ESG policies if such policies are moderate; but similarly strong incentives to abandon ESG if competitors adopt aggressive ESG policies.

WORKING PAPERS

In 2024, ECGI's 381 research members published 149 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 freely available on the ECGI website. Topics featured in 2024 included Climate Change, Takeovers, Bankruptcy, M&A, Boards, Technology, Private Equity, Culture, Boards and more.

Climate Change

The intersection of corporate governance and climate change has emerged as a defining issue for business strategy, regulation, and capital markets. A rich body of research now sheds light on the levers and limits of corporate influence in addressing the climate crisis—revealing surprising complexities, institutional constraints, and emerging pathways for reform.

The papers point to the growing importance of governance structures in steering climate outcomes. Several studies show that corporate boards and ownership structures matter: firms with dedicated ESG committees, more engaged investors, or institutional pressure tend to exhibit stronger climate performance. However, this relationship is far from linear.

Stakeholder Orientation, Environmental Performance and Financial Benefits
Yrjo Koskinen (University of Calgary and ECGI), Hao Lu (Saint Mary's University), Nga Nguyen (Universite du Quebec a Montreal and University of Calgary)
Finance Working Paper Nº 954/2024

Corporate Climate Lobbying
Markus Leippold (University of Zurich and Swiss Finance Institute), Zacharias Sautner (University of Zurich, Swiss Finance Institute and ECGI), Tingyu Yu (University of Zurich)
Finance Working Paper Nº 960/2024

Climate Patents and Financial Markets
Ulrich Hege (University of Toulouse and ECGI), Sebastien Pouget (University of Toulouse), Yifei Zhang (Peking University)
Finance Working Paper Nº 961/2024

Real Effects of the Proposed SEC Climate Disclosure Rule
Mary Ellen Carter (Boston College and ECGI), Lian Fen Lee (Boston College), Enshuai Yu (Boston College)
Finance Working Paper Nº 972/2024

Blended Finance
Caroline Flammer (Columbia University, NBER and ECGI), Thomas Giroux (CREST-ENSAE, MIROVA), Geoffrey M. Heal (Columbia University and NBER)
Finance Working Paper Nº 973/2024

Poor ESG: Regressive Effects of Climate Stewardship
Zohar Goshen (Columbia University, Ono Academic College and ECGI), Assaf Hamdani (Tel Aviv University and ECGI), Alex Raskolnikov (Columbia University)
Law Working Paper Nº 764/2024

For instance, in *Family-Controlled Firms and Environmental Sustainability*, the authors find that such firms often publicise sustainability goals but fail to back them with meaningful action—suggesting symbolic compliance rather than structural commitment.

Other studies complicate the idea that green finance and ESG labels are reliable indicators of impact. *Green Gatekeepers* exposes the opacity and inconsistency among certifying bodies, many of which lack clear standards or accountability. *In the Pursuit of Greenness* adds that green revenues are not always correlated with lower emissions, highlighting a disconnect between ESG marketing and environmental reality.

Several papers interrogate the effectiveness of investor-led climate action. *Divestment and Engagement* finds that active engagement tends to outperform divestment in reducing corporate emissions, while *Climate-Related Shareholder Activism* argues that current legal rules around "acting in concert" significantly constrain collective investor influence. These findings suggest that reforms to facilitate more coordinated stewardship could enhance accountability.

The role of policy and politics looms large. *The Political Carbon Cycle* reveals that companies headquartered in Republican-governed states emit more greenhouse gases, even after controlling for industry and firm characteristics—evidence of the influence of partisan governance on private-sector behaviour. Meanwhile, *The Real Effects of the SEC Climate Disclosure Rule* demonstrates that mandatory disclosure can materially affect how firms allocate resources and manage risks.

Several papers point to unintended consequences and trade-offs. *Environmental Violations in the Power Sector* shows that

In the Pursuit of Greenness: Drivers and Consequences of Green Corporate Revenues
Ugur Lel (University of Georgia and ECGI)
Finance Working Paper Nº 980/2024

Family-Controlled Firms and Environmental Sustainability: All Bite and No Bark
Alexander Dyck (University of Toronto), Karl V. Lins (University of Utah), Lukas Roth (University of Alberta and ECGI), Mitch Towner (University of Arizona), Hannes F. Wagner (Bocconi University and ECGI)
Finance Working Paper Nº 983/2024

Corporate Social Responsibility Committee: International Evidence
Jenny Chu (University of Cambridge), Xi Li (London School of Economics and ECGI), Yuxia (Sarine) Zou (Nanyang Technological University)
Finance Working Paper Nº 984/2024

Leveling Up Your Green Mojo: The Benefits of Beneficent Investment
Xiting Wu (Shandong University), Jiaxing You (Xiamen University), Xiaoyun Yu (Shanghai Jiao Tong University, National University of Singapore, ABFER, CAFR and ECGI), Qing (Clara) Zhou (Macquarie University)
Finance Working Paper Nº 985/2024

Mental Models in Financial Markets: How Do Experts Reason About the Pricing of Climate Risk?
Rob Bauer (Maastricht University, European Centre for Corporate Engagement (ECCE)), Katrin Gödker (Bocconi Univesity), Paul Smeets (University of Amsterdam), Florian Zimmermann (IZA Institute of Labor Economics)
Finance Working Paper Nº 986/2024

firms reduce emissions following enforcement actions, but often pass the cost onto consumers through higher electricity prices—raising questions about social equity. *Blended Finance* and *Firm Commitments* suggest that mobilising capital for climate transition remains challenging, especially in sectors where returns are uncertain or environmental impact is hard to measure.

The papers also offer new insight into how climate-related risks are priced and interpreted in financial markets. In *Mental Models in Financial Markets*, the authors explore how expert investors reason about climate risk, revealing a striking inconsistency between qualitative awareness and actual portfolio adjustments. Investors often understand climate change as a systemic threat but lack clear frameworks to act decisively.

Similarly, *Climate Patents and Financial Markets* shows that while markets react positively to firms announcing climate innovation, the link between patent activity and long-term emission outcomes is often overstated—raising concerns about speculative enthusiasm outpacing environmental substance.

Meanwhile, *Carbon Emissions and the Bank-Lending Channel* examines how banks respond to borrower emissions. The findings show that banks do adjust pricing for high emitters, but mostly in response to regulatory pressure rather than internal sustainability goals. This suggests that the financial system's role in the transition is still largely reactive—highlighting the importance of aligning credit markets with climate objectives through stronger policy signals and risk assessments.

While internal structures and market mechanisms play a role, sustained progress on climate goals will require complementary regulatory reforms, political alignment, and public accountability.

Climate-Related Shareholder Activism as Corporate Democracy: A Call to Reform "Acting in Concert" Rules
Dan W. Puchniak (Singapore Management University and ECGI), Umakanth Varottil (National University of Singapore (NUS) and ECGI)
Law Working Paper Nº 773/2024

Firm Commitments
Patrick Bolton (Imperial College London, CEPR, NBER and ECGI), Marcin T. Kacperczyk (Imperial College London and CEPR)
Finance Working Paper Nº 990/2024

Carbon Emissions and the Bank-Lending Channel
Marcin T. Kacperczyk (Imperial College London and CEPR), José-Luis Peydró (Imperial College London, CEPR and Universitat Pompeu Fabra)
Finance Working Paper Nº 991/2024

Corporate Governance for Carbon Majors
Matteo Gatti (Rutgers University and ECGI), Suren Gomtsian (London School of Economics and Tilburg University), Alessandro Romano (Bocconi University)
Law Working Paper Nº 787/2024

Divestment and Engagement: The Effect of Green Investors on Corporate Carbon Emissions
Matthew E. Kahn (University of Southern California and NBER), John G. Matsusaka (University of Southern California), Chong Shu (University of Utah)
Finance Working Paper Nº 993/2024

Termination Risk and Sustainability
Robert F. Engle (New York University and NBER)
Finance Working Paper Nº 1005/2024

Takeovers, Mergers & Acquisitions

ECGI research on takeovers and mergers offers a wide-ranging and often provocative view of how corporate control is contested, negotiated, and reshaped in today's markets. The papers in the series provide new evidence and theoretical frameworks that challenge traditional narratives, highlight jurisdictional contrasts, and shed light on the evolving roles of law, market design, and institutional investors. Together, they deepen our understanding of M&A as not merely a financial transaction, but a governance event with far-reaching economic and social implications.

A central theme across the collection is the shifting character of corporate control transactions, particularly the decline in hostile takeovers and the rise of more indirect and negotiated mechanisms. *The Evolution of the Market for Corporate Control* explains how changes in ownership structures and the rise of private equity and activist investors have reduced the need for traditional, high-stakes bids. Control is now often transferred through behind-the-scenes negotiation or shareholder activism, leading to outcomes that can be more efficient but less visible.

This evolution is not evenly distributed. *Designing a New Framework to Regulate Hostile Takeovers in a Changing Japan* explores how Japan's regulatory environment—long resistant to hostile bids—is gradually moving toward greater openness. However, the absence of a strong coordinating body akin to the UK Takeover Panel presents institutional weaknesses, prompting a call for reform. The importance of institutional design also features in *The Genesis of the Takeover Directive*, which

Green Gatekeepers
Luca Enriques (Bocconi University and ECGI), Alessandro Romano (Bocconi University), Andrew F. Tuch (Washington University in St Louis and ECGI)
Law Working Paper Nº 800/2024

Corporate Climate Governance
Virginia E. Harper Ho (City University of Hong Kong and ECGI)
Law Working Paper Nº 804/2024

Climate Innovation and Carbon Emissions: Evidence from Supply Chain Networks
Ulrich Hege (University of Toulouse and ECGI), Kai Li (Peking University), Yifei Zhang (Peking University)
Finance Working Paper Nº 1014/2024

The Political Carbon Cycle
Dhruv Aggarwal (Northwestern University)
Law Working Paper Nº 816/2024

Environmental Violations in the Power Sector: Accountability and Community Welfare
Pouyan Foroughi (York University), Hosein Hamisheh Bahar (York University), Lilian Ng (York University and ECGI)
Finance Working Paper Nº 1019/2024

Takeovers, Mergers & Acquisitions

The Evolution of the Market for Corporate Control
Mike Burkart (London School of Economics), Samuel Lee (Santa Clara University), Paul Voss (HEC Paris)
Finance Working Paper Nº 956/2024

De-SPAC Performance Under Better Aligned Sponsor Contracts
Yao-Min Chiang (National Taiwan University), Woojin Kim (Seoul National University), Bokyung Park (National Taiwan University), Tae Jun Yoon (Samsung)
Finance Working Paper Nº 962/2024

traces how political compromise and ideological divisions shaped the final structure of the EU framework. Far from harmonising practice, the Directive introduced concepts like optionality and reciprocity that have led to ongoing regulatory fragmentation.

The limitations of hostile takeovers as a disciplinary tool are examined in *The Inefficiency of Hostile Takeovers as a Disciplinary Mechanism.* The paper questions the assumption that takeovers naturally weed out underperforming firms, showing instead how market imperfections can lead to perverse outcomes—where low-quality firms are protected and high-quality firms become targets due to pricing distortions.

A number of papers highlight how contractual tools are increasingly central to deal structuring. *Clauses with Claws* and *Contractual Remedies in Mergers* analyse the strategic use of MAC clauses, reverse termination fees, and performance-specific obligations. These instruments are not only risk-allocation mechanisms but also influence bargaining power and deal completion. *See the Gap* contributes a practical perspective by revealing inconsistencies between theoretical protections and their implementation—many parties fail to enforce clauses they rely on, often due to ambiguities or cost concerns.

Deal execution strategy is also undergoing refinement. *Unravelling Bidding Strategies in M&A Transactions* offers rare insights into the private phase of dealmaking, showing that stronger and more precise initial bids lead to better outcomes for bidders and higher acceptance rates from targets. This emphasises the importance of pre-public negotiation tactics—an often overlooked but critical aspect of M&A success.

Regulatory complexity continues to shape

Death by a Thousand Cuts: The Hostile Bids Regime in Europe, 2004-2023
Luca Enriques (Bocconi University), Matteo Gatti (Rutgers University)
Law Working Paper Nº 755/2024

Reconciling National Security Review with Takeover Regulation in the Global M&A Market
Umakanth Varottil (National University of Singapore), Chuanman You (National University of Singapore)
Law Working Paper Nº 756/2024

Is There Information in Corporate Acquisition Plans?
Sinan Gokkaya (Department of Finance, Ohio University), Xi Liu (Miami University of Ohio), René M. Stulz (The Ohio State University)
Finance Working Paper Nº 966/2024

Derogations from the Mandatory Bid Rule
Rolf Skog (University of Gothenburg and ECGI), Erik Sjöman (Vinge Law Firm)
Law Working Paper Nº 760/2024

Non-Compete Agreements and the Market for Corporate Control
Andrey Golubov (University of Toronto and ECGI), Yuanqing (Lorna) Zhong (University of Toronto)
Finance Working Paper Nº 978/2024

The Genesis of the Takeover Directive
Blanaid Clarke (Trinity College Dublin and ECGI), Rolf Skog (University of Gothenburg and ECGI)
Law Working Paper Nº 770/2024

The Italian SPACs Regulatory Regime: An Empirical Analysis of Aim Italia SPACs
Dmitri Boreiko (Free University of Bozen-Bolzano), Stefano Lombardo (Free University of Bolzano and ECGI)
Law Working Paper Nº 772/2024

transaction behaviour. *Reconciling National Security Review with Takeover Regulation* explores how cross-border deals are increasingly caught between competition policy and geopolitical concerns. Similarly, *Lowballing under the EU Takeover Directive* and *Derogations from the Mandatory Bid Rule* highlight how well-intentioned shareholder protections can backfire, enabling opportunistic bidding and distorting incentives.

Arbitraging Labor Markets provides a compelling example of how legal environments beyond corporate law can influence M&A decisions. It shows that some acquirers specifically target firms in jurisdictions with more flexible labour laws, leveraging employment arbitrage as part of their deal logic. This form of legal arbitrage, while efficient in some respects, raises questions about the broader societal consequences of cross-border mergers.

Innovation in financial vehicles and transaction structures is another area of focus. *The Italian SPACs Regulatory Regime* provides empirical evidence that AIM Italia SPACs tend to outperform their U.S. counterparts in post-merger performance. The paper attributes this in part to a more conservative regulatory environment, which aligns sponsor and investor interests more effectively. This contrasts sharply with concerns raised about U.S. SPACs and their misaligned incentives, a theme echoed elsewhere in the literature.

Governance and shareholder rights remain perennial concerns. *Shareholder Rights and the Bargaining Structure in Control Transactions* finds that stronger rights can reduce takeover premiums by giving targets more power to resist bids. On the other hand, *Irresponsible Takeovers* warns that acquisitions are not always value-enhancing. Some takeovers—especially empire-building ones—can entrench management and dilute long-term shareholder value, despite short-term gains.

Lowballing under the EU Takeover Bid Directive: Strategies, Concerns, and Gold-Plating Remedies
Peter Muelbert (Johannes Gutenberg-Universität Mainz and ECGI), Alexander Sajnovits (Johannes Gutenberg-University)
Law Working Paper N° 778/2024

Sue and Acquire: Evidence from Patent Lawsuits
Roni Michaely (Hong Kong University and ECGI), Yifang Xie (Georgetown University), Biwen Zhang (University of California, Berkeley)
Finance Paper N° 989/2024

The Inefficiency of Hostile Takeovers as a Disciplinary Mechanism: A Theoretical Analysis
Sang Yop Kang (Peking University and ECGI)
Law Working Paper N° 781/2024

Designing a New Framework to Regulate Hostile Takeovers in a Changing Japan
Bruce E. Aronsom (New York University), Manabu Matsunaka (Nagoya University)
Law Working Paper N° 782/2024

Arbitraging Labor Markets
Minrui Gong (University of Mannheim), Ernst Maug (University of Mannheim and ECGI), Christoph Schneider (Tilburg University)
Finance Working Paper N° 997/2024

The Defensive Measures Provisions of the Takeover Directive: From Ambition to Resignation to Distrust
Paul Davies (University of Oxford and ECGI), Alain Pietrancosta (University of Paris I (Panthéon-Sorbonne) and ECGI)
Law Working Paper N° 785/2024

Legal manoeuvring and strategic litigation are explored in *Sue and Acquire*, which describes how lawsuits are sometimes used to initiate or influence M&A outcomes. Similarly, *Barking Without Biting* critiques the symbolic use of shareholder activism in M&A settings, arguing that public pressure often lacks the legal teeth to alter deal terms unless paired with structural governance reforms.

Other papers take a comparative or policy-oriented lens. *Non-Compete Agreements and the Market for Corporate Control* investigates how contractual restraints can inhibit competitive bidding. *Do Bad Targets Become Worse Targets?* explores the characteristics of firms more likely to become acquisition targets, providing predictive insights for both regulators and investors. *Basic Issues Surrounding the Theory of the Deal* revisits foundational questions about what M&A transactions are for, and how they can best serve public and private interests.

The evolving role of soft law and institutional norms is evident in *The Defensive Measures Provisions of the Takeover Directive*, which reflects on the uneven implementation of EU rules across member states. And *Death by a Thousand Cuts* shows how minor procedural rules, when layered, can significantly alter the landscape for contested takeovers, especially in jurisdictions that emphasise board neutrality.

The papers reflect a rich and diverse research agenda. They suggest that takeovers are no longer easily classified as hostile or friendly, efficient or destructive. Instead, they are increasingly strategic governance tools, shaped by legal rules, market institutions, and the behaviour of sophisticated actors operating across borders.

Contractual Remedies in Mergers
Dhruv Aggarwal (Northwestern University), Albert H. Choi (University of Michigan and ECGI), Geeyoung Min (Michigan State University)
Law Working Paper N° 789/2024

Does Mandatory Bid Rule Discourage Acquisitions above the Threshold?
Yongjoon Lee (Korea University), Bushik Kim (Korea University), Woochan Kim (Korea University, Asian Institute of Corporate Governance and ECGI)
Finance Working Paper N° 1000/2024

Basic Issues Surrounding the TOD's Transposition
Markus Roth (University of Marburg), Klaus Hopt (Max Planck Institute for Comparative and International Private Law and ECGI), Adam Opalski (University of Warsaw)
Law Working Paper N° 794/2024

Do Bad Targets Become Worse Targets? Evidence from Sequential Transfers of Control Blocks
Euna Cho (Bank of Korea - Economic Research Institute), Hwanki Brian Kim (Baylor University), Woojin Kim (Seoul National University and ECGI)
Finance Working Paper N° 1004/2024

Shareholder Rights and the Bargaining Structure in Control Transactions
Ryan Bubb (New York University and ECGI), Emiliano Catan (New York University), Holger Spamann (Harvard University and ECGI)
Law Working Paper N° 798/2024

(Ir)responsible Takeovers
Doron Levit (University of Washington and ECGI), Philip Bond (University of Washington and ECGI)
Finance Working Paper N° 1011/2024

Private Equity and Venture Capital

ECGI research into private equity reveals a sector undergoing rapid transformation, marked by financial innovation, evolving governance structures, and growing tensions between performance and accountability. The papers offer a more nuanced understanding of how private equity operates across stages—fundraising, acquisition, governance, and exit—and shed light on the legal and economic implications of its expanding influence.

A key theme is the growing complexity and potential risks associated with net asset value (NAV) loans, as discussed in *Private Equity and Net Asset Value Loans – Ticking Time Bomb or Ticking All the Right Boxes?*. While these fund-level borrowings offer liquidity during downturns, they undermine the traditional safeguards of the leveraged buyout (LBO) model and raise concerns about contagion risk and governance opacity.

The shifting contours of governance theory are also evident in *The Agency Costs of Multi-Product Private Equity Suites*, which critiques the outdated assumption that private equity consistently mitigates agency costs. As private equity firms become multi-product financial conglomerates, conflicts of interest multiply, and the clean "disciplining investor" narrative loses credibility.

In *Private Equity Sponsors, Law Firm Relationships, and Loan Contracts*, the authors explore how sponsor-law firm ties weaken creditor protections in LBOs. Deals involving these relationships feature fewer covenants and experience higher default rates—an important insight into how power imbalances in deal structuring can influence risk allocation.

Unravelling Bidding Strategies in M&A Transactions: Evidence from the Private Phase of the Deal Process
Audra Boone (Texas Christian University and ECGI), Wouter De Maeseneire (Vlerick Business School), Sebastien Dereeper (University Lille), Mathieu Luypaert (Vlerick Business School), Mai Nguyen Thuy (Vietnamese-German University)
Finance Working Paper N° 1015/2024

Barking without Biting: How Corwin Did Not Change M&A
Matteo Gatti (Rutgers University and ECGI), Martin Gelter (Fordham University and ECGI)
Law Working Paper N° 808/2024

See the Gap: Firm Returns and Shareholder Incentives
Eitan Goldman (Indiana University and ECGI), Jinkyu Kim (Indiana University), Wenyu Wang (Indiana University)
Finance / Law Working Paper N° 1018/2024

Clauses with Claws: Reducing Agency Costs in Late-Merging SPACs
Diego Leal (University of Texas at El Paso), Fang Lin (Pacific Lutheran University) Asif I. Malik (California State University, San Bernardino and ECGI), Peter Mueller (Fordham University), Bryan Stanhouse (University of Oklahoma), Doris Zhou (University of Oklahoma)
Finance Working Paper N° 1017/2024

Private Equity and Venture Capital

Syndicated Equity Crowdfunding and the Collective Action Problem
Jerry Coakley (University of Essex), Douglas J. Cumming (Florida Atlantic University and ECGI), Aristogenis Lazos (Audencia Business School), Silvio Vismara (University of Bergamo)
Finance Paper N° 995/2024

Several papers tackle performance from fresh angles. *The Performance Puzzle in Venture Capital and Private Equity Style Drifts* differentiates between initial and follow-on style drifts, finding that early-stage deviations from fund strategy can lead to strong returns, while repeated deviations tend to underperform—highlighting the dangers of "escalation of commitment."

Social dimensions of private equity are addressed in *Sex & Startups*, which investigates governance rights in VC-backed firms. Although female founders face unique challenges in funding, the study finds no consistent governance disadvantage at later stages—a nuanced finding that defies simple narratives around gender and venture capital.

Global shifts in innovation are explored in *Appropriate Entrepreneurship?*, which finds that China's rise in venture capital has stimulated more relevant entrepreneurial activity in other developing countries, particularly in sectors mirroring Chinese strengths. This points to a diffusion of innovation power and a more multipolar global investment landscape.

The papers highlight a maturing private equity ecosystem where governance, regulation, and strategic choices intersect in increasingly complex ways—demanding new thinking from scholars and stakeholders.

Executive Compensation

Executive compensation remains one of the most contested issues in corporate governance, with debates intensifying around its effectiveness, fairness, and evolving role in driving environmental and social outcomes. A new wave of research

The Performance Puzzle in Venture Capital and Private Equity Style Drifts
Douglas J. Cumming (Florida Atlantic University and ECGI), Armin Schwienbacher (SKEMA Business School), Yelin Zhang (Gonzaga University)
Finance Working Paper Nº 959/2024

Appropriate Entrepreneurship? The Rise of China and the Developing World
Josh Lerner (Harvard University, NBER and ECGI), Junxi Liu (University of Warwick), Jacob Moscona (Harvard University) David Y. Yang (Harvard University and NBER)
Finance Working Paper Nº 964/2024

Sex & Startups
Jens Frankenreiter (Washington University in St. Louis), Talia B. Gillis (Columbia University), Eric L. Talley, (Columbia University and ECGI)
Law Working Paper Nº 759/2024

The Effectiveness of Trading Venues in Facilitating Small and Medium-sized Enterprise Growth: An Examination of Liquidity and Regulatory Oversight
Mark Fenwick (Kyushu University), Erik P. M. Vermeulen (Tilburg University, Signify Legal Department, Kyushu University and ECGI)
Law Working Paper Nº 768/2024

Private Equity Sponsors, Law Firm Relationship, and Loan Contracts in Leveraged Buyouts
Yijia (Eddie) Zhao (University of Massachusetts Boston), Ruiyuan (Ryan) Chen (West Virginia University), Douglas J. Cumming (Florida Atlantic University and ECGI), Binru Zhao (Bangor University)
Finance Working Paper Nº 1018/2024

has pushed beyond traditional agency theory to interrogate how pay is structured, justified, and perceived in a world increasingly shaped by stakeholder capitalism, ESG priorities, and regulatory scrutiny.

A central theme in the recent literature is the rise of ESG-linked compensation, which has become a common feature in executive pay plans, particularly among large public firms. According to *ESG Overperformance*?, more than 60% of S&P 500 companies now include ESG elements in their annual incentive plans.

However, executives almost never miss these targets—only 2% of firms reported doing so. More critically, achieving ESG targets is rarely associated with improved ESG outcomes. Instead, these schemes are often associated with weaker governance, suggesting that ESG-linked pay may function more as a reputational shield than a true performance driver.

This concern is echoed in *Beyond ESG: Executive Pay Metrics and Shareholder Support*, which finds that while the number of metrics in pay contracts has increased—particularly in firms with volatile returns, new CEOs, or activist shareholders—these metrics have little bearing on actual payouts. Instead, they appear to serve a symbolic function, helping boards secure shareholder support for compensation packages. Firms with more varied performance metrics, including ESG and operational targets, experience significantly less opposition in say-on-pay votes and face fewer shareholder proposals.

In *Implicit versus Explicit Contracting in Executive Compensation for Environmental and Social Performance*, researchers explore whether formal (explicit) or informal (implicit) ESG pay schemes are more effective. Their nuanced finding is that explicit contracts work better for hard metrics like emissions, while implicit

The Agency Costs of Multi-Product Private Equity Suites: Towards a Post-Jensenian Paradigm
Marc Moore (University of Nottingham), Chris Hale (Travers Smith)
Law Working Paper Nº 803/2024

Private Equity and Net Asset Value Loans - Ticking Time Bomb or Ticking All the Right Boxes?
Bobby Reddy (University of Cambridge and ECGI)
Law Working Paper Nº 805/2024

Delisting in the United States
Martin Gelter (Fordham University and ECGI), Steven Thel (Fordham University)
Law Working Paper Nº 806/2024

Executive Compensation

ESG & Executive Remuneration in Europe
Marco Dell'Erba (University of Zurich), Guido Ferrarini (University of Genoa and ECGI)
Law Working Paper Nº 767/2024

Musk's $56 billion: Pay, Incentives, or Rewards?
Jeffrey L. Coles (University of Utah and ECGI), Naveen Daniel (Drexel University), Lalitha Naveen (Temple University and ECGI)
Finance Working Paper Nº 1010/2024

Implicit versus Explicit Contracting in Executive Compensation for Environmental and Social Performance
Roni Michaely (The University of Hong Kong and ECGI), Thomas Schmid (The University of Hong Kong), Menghan Wang (The University of Hong Kong)
Finance Working Paper Nº 1016/2024

contracts may outperform in areas with subjective targets, such as community engagement. The structure of the contract—rather than the presence of ESG pay per se—determines its credibility and impact.

Several papers caution against over-reliance on traditional agency theory to justify or design compensation schemes. *Hidden Fallacies in the Agency Theory of the Corporation* challenges the assumption that executive pay always aligns interests or promotes efficiency. It argues that focusing narrowly on shareholder-manager conflicts blinds us to broader risks, such as externalities, social harm, and unchecked corporate power. Executive pay, in this broader framing, becomes a political and institutional issue as much as an economic one.

From a regulatory perspective, *Executive Remuneration: A Comparative Overview II* and *ESG & Executive Remuneration in Europe* highlight the growing role of law and policy in shaping pay practices—particularly in the EU, where reforms like the Shareholder Rights Directive II and sustainability disclosure standards have introduced more explicit guidance around ESG-linked incentives. These frameworks emphasise long-termism, stakeholder inclusion, and prudence, especially in the wake of financial crises and public backlash over excessive pay.

The *Musk's $56 Billion* paper offers a useful case study in extreme compensation. While media headlines focus on the headline number, the study shows that the package was rooted in performance-based incentives tied to ambitious operational and financial milestones. This distinction—between cost, incentive, and reward—is essential in understanding how outsized pay can be legally structured without necessarily translating into realised income.

Beyond ESG: Executive Pay Metrics and Shareholder Support
Nickolay Gantchev (University of Warwick and ECGI), Mariassunta Giannetti (Stockholm School of Economics and ECGI), Marcus Hober (Stockholm School of Economics)
Finance Working Paper Nº 1020/2024

Executive Remuneration: A Comparative Overview II
Guido Ferrarini (University of Genoa and ECGI), Maria Cristina Ungureanu (Genoa Centre for Law and Finance)
Law Working Paper Nº 814/2024

ESG Overperformance? Assessing the Use of ESG Targets in Executive Compensation Plans
Adam B. Badawi (University of California, Berkeley), Robert Bartlett (Stanford University and ECGI)
Finance Working Paper Nº 1025/202

Hidden Fallacies in the Agency Theory of the Corporation
Jennifer Hill (Monash University and ECGI)
Law Working Paper Nº 799/2024

CEOs and Boards of Directors

Continuity and Change on Corporate Boards
Peter Cziraki (Texas A&M University), Adriana Robertson (University of Chicago and ECGI)
Finance Working Paper Nº 992/2024

Director Reputation Effects of Environmental and Social Failures
Tongqing (Tony) Ding (University of Melbourne), Yonca Ertimur (University of Colorado at Boulder and ECGI), Paige Harrington Patrick (University of Illinois at Chicago), Frances M. Tice (University of Colorado at Boulder)
Finance Working Paper Nº 952/2024

CEO'S and Boards

Boards of directors play a central role in corporate governance, yet their composition, responsibilities, and influence continue to evolve under pressure from shifting societal expectations, regulatory reforms, and firm-level challenges. Recent research provides a fresh look at how boards function, adapt, and sometimes fall short—offering critical insights for improving oversight and decision-making.

One line of research examines the consequences of board interlocks and connections. In *Board Connections, Firm Profitability, and Product Market Actions*, new ties between board members of competing firms are shown to coincide with higher gross margins, higher product prices, and reduced innovation. These findings suggest that interlocking directorships may not only influence firm strategy but also raise potential antitrust concerns, especially when competition is stifled through implicit coordination.

The role of CEO succession planning is another key theme. *Why Do Firms Often Not Have a CEO Succession Plan?* highlights that, despite the significant risks associated with leadership vacuums, many firms still avoid implementing structured succession processes. Yet, the study finds that having a plan in place significantly reduces firm underperformance following CEO turnover, particularly when insiders are promoted.

Succession planning, though often perceived as costly or politically sensitive, delivers measurable governance and performance benefits.

Turning to board diversity, *Continuity and Change on Corporate Boards* reveals that the rise in women directors over recent years has occurred both through the appointment

An Examination of Legal Risk When the Corporate Secretary is the Chief Legal Officer
Jagadison K Aier (George Mason University), Justin Hopkins (University of Virginia), Syrena Shirley (Columbia University)
Finance Working Paper Nº 1009/2024

Why Do Firms Often Not Have a CEO Succession Plan?
Francesco Celentano (University of Lausanne), Antonio Mello (University of Wisconsin and ECGI)
Finance Working Paper Nº 1023/2024

Board Connections, Firm Profitability, and Product Market Actions
Radhakrishnan Gopalan (Washington University in St. Louis), Renping Li (Washington University in St. Louis) Alminas Zaldokas (Hong Kong University of Science & Technology, National University of Singapore and ECGI)
Finance Working Paper Nº 996/2024

Sustainability Skills Disclosure For Boards: An Essential Prerequisite For Assessing Sustainability Competence
Gül Demirtaş, Christian Strenger (Frankfurt School of Finance and Management), Tobias Tröger (Leibniz Institute SAFE, Goethe University Frankfurt and ECGI)
Law Working Paper Nº 796/2024

Placeholder CEOs
Morten Bennedsen (INSEAD and University of Copenhagen), Mario Daniele Amore (Bocconi University, CEPR and ECGI), Vikas Mehrotra (University of Alberta), Jungwook Shim (Kyoto Sangyo University), Yupana Wiwattanakantang (National University of Singapore and ECGI)
Finance Working Paper Nº 1012/2024

of experienced female board members and first-time appointees. Interestingly, many of these additions temporarily increase board size before reverting to previous levels, suggesting a period of adjustment rather than permanent structural change.

Board accountability for environmental and social failures is addressed in *Director Reputation Effects of Environmental and Social Failures*. While director turnover and withheld shareholder votes do increase following significant ESG failures, the penalties are modest—especially compared to traditional governance failures. This indicates that reputational mechanisms in the director labour market may provide only limited incentives to oversee ESG risks proactively.

An Examination of Legal Risk When the Corporate Secretary is the Chief Legal Officer finds that firms where the corporate secretary also serves as CLO experience fewer legal and regulatory violations, particularly when boards are independent. This suggests a potential governance benefit to combining compliance and board advisory roles, though only when sufficient oversight exist.

Culture, Purpose, and Labour

Corporate culture has emerged as a critical dimension of governance, shaping organisational purpose, employee satisfaction, stakeholder trust, and long-term performance. ECGI research highlights how deeply embedded cultural forces influence governance structures, economic outcomes, and social responsibility—often in surprising and sometimes contradictory ways.

Cultural dynamics also manifest in leadership models. *The Ties That Bind or Those That Tear Us Apart?* shows that co-CEO arrangements in family firms—especially those spanning

The Abolition of Independent Directors in Indonesia: Rationally Autochthonous or Foolishly Idiosyncratic?
Royhan Akbar (Universitas Gadjah Mada), Nathaniel Mangunsong (Universitas Indonesia) Dan Puchniak (Singapore Management University and ECGI)
Law Working Paper N° 802/2024

Corporate Culture

Higher Purpose, Employees and the Firm
Anjan Thakor (Washington University in St. Louis and ECGI)
Finance Working Paper N° 974/2024

Polarization, Purpose and Profit
Daniel Ferreira (London School of Economics and Political Science (LSE) and ECGI), Radoslawa Nikolowa (Queen Mary University of London)
Finance Working Paper N° 967/2024

The Ties That Bind Or Those That Tear Us Apart? Co-CEO Constellations and ESG Performance in Family Firms
Yuliya Ponomareva (ESADE Business School), Francesco Paolone (University of Teramo and University of Naples), Domenico Rocco Cambrea (Bocconi University) Marc Goergen (IE University and ECGI)
Finance Working Paper N° 969/2024

Sustainable Organizations
Thomas Geelen (Pennsylvania State University), Jakub Hajda (HEC Montreal), Jan Starmans (Stockholm School of Economics and ECGI)
Finance Working Paper N° 994/2024

The Organization of Social Enterprise
Ofer Eldar (University of California, Berkeley and ECGI)
Finance Working Paper N° 987/2024

generations or combining family and non-family leadership—are associated with weaker ESG outcomes unless carefully governed. This challenges the assumption that shared leadership naturally fosters cohesion.

One important insight is that corporate culture is increasingly a competitive asset, but not always a harmonising one. In *Polarisation, Purpose and Profit*, firms increasingly tailor internal cultures to the values of their workforce, particularly in industries with market power. This can lead to "cultural sorting," where employees with extreme ideological preferences cluster in like-minded firms. While this may boost productivity and profits, it also reinforces political polarisation and lowers average wages, raising challenging questions about long-term cohesion and equity

Another prominent theme is the growing institutionalisation of purpose—and its limitations. *Publicly Traded Public Benefit Corporations* explores how these firms embed social missions into their legal frameworks. While some PBCs use charter provisions and board structures to signal serious commitments, others rely on symbolic gestures, resulting in mixed accountability and governance quality. The study finds that law firms with relevant expertise are more likely to structure robust commitments, suggesting that capacity-building may be as important as legal reform in this space.

The Organization of Social Enterprise further explores organisational forms designed to deliver social value. It reveals that social enterprises—especially those that transact with beneficiaries—can outperform traditional giving models when they measure and tailor support. However, for-profit and nonprofit forms both face trade-offs in scale, quality, and credibility, depending on variance in beneficiary needs and the entrepreneurs' incentives.

Index Design and Workforce Gender Diversity
Vikas Mehrotra (University of Alberta), Lukas Roth (University of Alberta and ECGI), Yusuke Tsujimoto (Waseda University), Yupana Wiwattanakantang (National University of Singapore and ECGI)
Finance Working Paper N° 979/2024

Culture and Law in Corporate Governance
Amir Licht (Reichman University and ECGI)
Law Working Paper N° 777/2024

Publicly Traded Public Benefit Corporations: An Empirical Investigation
Jens Dammann (The University of Texas and ECGI)
Law Working Paper N° 788/2024

Codeterminations' Moment of Truth: Overseas Workers
Jens Dammann (The University of Texas and ECGI)
Law Working Paper N° 809/2024

Directors' Positive Duty to Act in the Interests of the Entity: Shareholders' Interests Bounded by Corporate Purpose
Susan Watson (University of Auckland and ECGI), Lynn Buckley (University of Auckland and ECGI)
Law Working Paper N° 791/2024

Success, Law and ESG
Colin Mayer (University of Oxford and ECGI)
Law Working Paper N° 795/2024

Are Women More Exposed to Firm Shocks?
Ramin Baghai (Stockholm School of Economics and ECGI), Rui Silva (Nova Southeastern University) Margarida Soares (Nova Southeastern University)
Finance Working Paper N° 1007/2024

"Corporate Purpose" as a False Friend: A Bibliometric Analysis
Mathias Siems (European University Institute and ECGI)
Law Working Paper N° 815/2024

At the organisational level, *Sustainable Organizations* challenges the notion that more pro-social stakeholders always lead to better sustainability outcomes. The research finds that top-down stakeholder engagement—particularly from owners—consistently improves sustainability, whereas bottom-up activism from managers can lead to control conflicts and unintended setbacks. This insight urges a rethink of how corporate purpose is governed and by whom.

Culture also manifests through compensation structures and diversity practices. *The Market Value of Pay Gaps* examines race and gender pay disparities using EEO-1 data and finds that investors often view such gaps as value-enhancing due to lower labour costs. Yet this market reaction underscores a troubling disconnect between financial value and equitable workplace outcomes—suggesting capital markets may not be the best mechanism to resolve such cultural failures.

Adding further nuance, *Careers and Wages in Family Firms* reveals that employees in family-controlled companies face a slower climb up the corporate ladder and receive lower wages than peers in non-family firms. The "glass ceiling" effect is particularly pronounced for non-family employees, who are less likely to be promoted to senior roles. Yet these firms also tend to offer greater job stability and long-term employment, suggesting a trade-off between equality of opportunity and organisational loyalty. The paper shows how culture in family firms is not merely about legacy and trust—it is a structural condition with tangible economic consequences for workers.

Bankruptcy

ECGI research in bankruptcy and restructuring reveals a system in transition—challenging old paradigms, exposing regulatory blind spots, and proposing novel frameworks to better align legal process with

The Market Value of Pay Gaps: Evidence from EEO-1 Disclosures
Ferdinand Bratek (New York University), April Klein (New York University and ECGI), Yanting (Crystal) Shi (HEC Paris)
Finance Working Paper Nº 1024/2024

Employment Protection and Organizational Structure
Giacinta Cestone (Bayes Business School and ECGI), Jiajun Tao (University of Leicester), Francisco Urzúa I. (Bayes Business School)
Finance Working Paper Nº 1026

Embedded Culture as a Source of Comparative Advantage
Luigi Guiso (Einaudi Institute for Economics and Finance) Paola Sapienza, (Stanford University and ECGI), Luigi Zingales (University of Chicago and ECGI)
Finance / Law Working Paper Nº 1027/2024

Careers and Wages in Family Firms: Evidence from Matched Employer-Employee Data
Marco Pagano (University of Naples, EIEF, CEPR and ECGI), Edoardo Di Porto (University of Naples Federico II), Vincenzo Pezone (Tilburg University), Raffaele Saggio (University of British Columbia), Fabiano Schivardi, (Luiss Guido Carli, EIEF and CEPR)
Finance Working Paper Nº 1022/2024

Bankruptcy

Creditors, Shareholders, and Losers In Between: A Failed Regulatory Experiment
Albert H. Choi, (University of Michigan and ECGI), Jeffery Y. Zhang (University of Michigan)
Law Working Paper Nº 753/2024

A Commitment Rule for Insolvency Forum
Anthony Casey (University of Chicago and ECGI), Aurelio Gurrea-Martinez (Singapore Management University and ECGI), Robert Rasmussen (University of Southern California)
Law Working Paper Nº 754/2024

economic outcomes. A unifying theme across the papers is the need for clarity, fairness, and adaptability in systems designed to handle corporate distress.

A key focus is the importance of forum selection and legal certainty. *A Commitment Rule for Insolvency Forum* critiques the current global reliance on a firm's "centre of main interest" (COMI) and proposes a more stable and transparent approach: firms should publicly commit in advance to a chosen insolvency forum via their corporate charters. This would reduce litigation and opportunistic forum shopping, while fostering more predictable outcomes for creditors and stakeholders.

The value of accurate and forward-looking valuation in restructuring is addressed in *A Primer on Option Valuation in Restructuring*. The paper warns that conventional restructuring techniques often destroy option value for junior stakeholders by tying distributions to static valuations. It calls for alternative models that preserve upside potential and reduce distortive incentives during distress.

Getting to Yes delves into the controversial role of coercion in debt renegotiations. It reveals how prevalent consent solicitation techniques—while legally permissible—often pressure creditors into deals that may not reflect true economic consensus. The paper proposes limits on the most coercive practices, recognising that efficient renegotiation must balance flexibility with fairness.

The social and developmental consequences of insolvency law are also front and centre. *The Social Dynamics of Corporate Insolvency Law and Workers* draws attention to the limited protection for employees in many jurisdictions, arguing for a more inclusive, justice-oriented view of insolvency that considers livelihoods and

Personal Bankruptcy Law and Innovation around the World
Douglas Cumming (Florida Atlantic University and ECGI), Randall Morck (University of Alberta and ECGI), Zhao Rong (Zhongnan University of Economics and Law), Minjie Zhang (University of Windsor)
Finance Working Paper Nº 1001/2024

A Primer on Option Valuation in Restructuring
Anthony Casey (University of Chicago and ECGI), Caroline Boone (University of Chicago)
Law Working Paper Nº 766/2024

The Social Dynamics of Corporate Insolvency Law and Workers/Employees of Distressed Companies: Comparing Select Asian Jurisdictions
Surbhi Kapur (O.P. Jindal Global University)
Law Working Paper Nº 783/2024

The Credit Markets Go Dark
Jared A. Ellias (Harvard University), Elisabeth de Fontenay (Duke University and ECGI)
Law Working Paper Nº 810/2024

Resolving financial distress where property rights are not clearly defined: the case of China
Julian Franks (London Business School and ECGI), Meng Miao (Renmin University), Oren Sussman (University of Oxford and ECGI)
Finance Working Paper Nº 999/2024

Getting to Yes: The Role of Coercion in Debt Renegotiations
Vincent S.J. Buccola (University of Chicago), Marcel Kahan (New York University and ECGI)
Law Working Paper Nº 812/2024

Banking

The Parade of the Bankers' New Clothes Continues: 44 Flawed Claims Debunked
Anat Admati (Stanford University and ECGI), Martin Hellwig (Max Planck Institute for Research on Collective Goods and ECGI)
Finance Working Paper Nº 951/2024

long-term societal impacts—not just capital preservation.

In a cross-country study, *Personal Bankruptcy Law and Innovation Around the World* demonstrates that pro-debtor personal bankruptcy reforms correlate with higher patenting rates, more radical innovation, and improved allocative efficiency.

The Credit Markets Go Dark warns of the growing opacity in distressed debt markets due to the rise of private credit. As firms rely more on non-bank lenders, transparency and public oversight diminish, potentially reshaping restructuring dynamics and limiting the public's ability to monitor systemic risk.

The papers advocate for legal innovation, inclusive stakeholder protections, and a rethinking of financial architecture in the face of increasingly complex credit markets and economic uncertainty.

Banking

ECGI research on banking governance reveals a system grappling with entrenched fragilities, evolving technologies, and political influences. A core insight from *Bank Payout Policy, Regulation, and Politics* is the extent to which political cycles and regulatory uncertainty shape bank behaviour. Larger banks adjust their payout strategies—favouring repurchases over dividends—based on the prevailing political environment, especially under Republican administrations.

Meanwhile, *Money and Federalism* examines the tension between state and federal oversight in the U.S. dual banking system. As fintech firms and stablecoin issuers operate increasingly outside federal safety nets, the paper warns of new systemic risks and urges stronger federal coordination to preserve monetary stability.

The Unraveling of the Federal Home Loan Banks
Kathryn Judge (Columbia University and ECGI)
Law Working Paper Nº 774/2024

Money and Federalism
Dan Awrey (Cornell University and ECGI)
Law Working Paper Nº 775/2024

Bank payout policy, regulation, and politics
Ruediger Fahlenbrach (EPL, Swiss Finance Institute and ECGI), Minsu Ko (Monash University), René Stulz (The Ohio State University and ECGI)
Finance Working Paper Nº 1003/2024

Payment Network Governance
Dan Awrey (Cornell University and ECGI), Joshua C. Macey (Yale University), Jeffery Y. Zhang (University of Michigan)
Law Working Paper Nº 801/2024

Capital Markets

Flows, Financing Decisions, and Institutional Ownership of the U.S. Equity Market
Alon Brav (Duke University, NBER and ECGI), Dorothy S. Lund (Columbia University and ECGI), Lin Zhao (Duke University)
Law Working Paper Nº 749/2024

Retail Investors and Corporate Governance: Evidence from Zero-Commission Trading
Dhruv Aggarwal (Northwestern University), Albert H. Choi (University of Michigan and ECGI), Yoon-Ho Alex Lee (Northwestern University)
Finance Working Paper Nº 957/2024

Nevada v. Delaware: The New Market for Corporate Law
Michal Barzuza (University of Virginia and ECGI)
Law Working Paper Nº 761/2024

In *Payment Network Governance*, the authors argue that new technologies challenge the infrastructure of money movement. Governance decisions must balance trade-offs between access, stability, and innovation to ensure these networks serve the public good.

Additionally, papers such as *The Unraveling of the Federal Home Loan Banks* and *The Parade of the Bankers' New Clothes* critique outdated structures and misleading claims in regulatory discourse, calling for major reforms to reduce systemic risk and increase transparency.

Capital Markets

ECGI research on capital markets highlights three broad themes: market concentration and mobility, regulatory fragmentation and arbitrage, and the evolving influence of investors on governance and pricing.

A core concern is the increasing concentration of market power. While the number of listed firms has fallen, as shown in *Half the Firms, Double the Profits*, the remaining firms are larger, more profitable, and more dominant. This has implications for competition, investor choice, and systemic risk. Despite the apparent health of public markets, the narrowing of access and influence raises questions about long-term resilience.

The second theme is regulatory friction and strategic corporate mobility. Papers like *Delisting Costs* and *Corporate Mobility in Europe and Minimum Capital and Cross-Border Firm Formation* illustrate how differences in national rules—on listing, capital requirements, and legal formalities—create powerful incentives for firms to relocate. These frictions drive regulatory arbitrage but also reveal missed opportunities for European harmonisation. Meanwhile, *Nevada v. Delaware* documents

Corporate Governance and Firm Performance: An Implication from Japanese Listed Family Firms
Hokuto Dazai (Nagoya University), Takuji Saito (Keio University), Zenichi Shishido (Hitotsubashi University), Noriyuki Yanagawa (University of Tokyo)
Law Working Paper Nº 784/2024

Price Inflation and Price Maintenance in Securities Fraud Class Actions
Richard Booth (Villanova University and ECGI)
Law Working Paper Nº 792/2024

Common Investors Across the Capital Structure: Private Debt Funds as Dual Holders
Tetiana Davydiuk (Johns Hopkins University), Isil Erel (Ohio State University and ECGI), Wei Jiang (Emory University and ECGI), Tatyana Marchuk (Nova Southeastern University)
Finance Working Paper Nº 1021/2024

Delisting Costs and Corporate Mobility in Europe
Jonathan Chan (McGill University), Carsten Gerner-Beuerle (University College London and ECGI)
Law Working Paper Nº 813/2024

Investor Stewardship

A Tale of Two Networks: Common Ownership and Product Market Rivalry
Florian Ederer (Boston University, NBER, CEPR and ECGI), Bruno Pellegrino (Columbia University, University of Chicago and CESifo)
Finance Working Paper Nº 953/2024

Innovation: The Bright Side of Common Ownership?
Miguel Anton (University of Navarra), Florian Ederer (Boston University, NBER, CEPR and ECGI), Mireia Gine (University of Navarra, The University of Pennsylvania and ECGI), Martin C. Schmalz (University of Oxford, CEPR, CESifo and ECGI)
Finance Working Paper Nº 965/2024

rising interstate competition in the U.S., with more permissive jurisdictions like Nevada attracting firms seeking looser oversight—potentially weakening shareholder rights and legal accountability.

A third theme relates to changing investor dynamics and governance consequences. The expansion of retail investing, especially following the rise of zero-commission platforms, has diluted institutional ownership in certain firms. As seen in *Retail Investors and Corporate Governance*, this shift is linked to weaker ESG oversight, lower shareholder voting rates, and relaxed corporate controls. Institutional investors, by contrast, remain highly influential but are themselves evolving, as explored in *Financing Decisions and Institutional Ownership*, with fund flows, buybacks, and passive strategies interacting in complex ways.

These themes point to a capital market environment that is more fluid, fragmented, and politically contested—where rules, incentives, and investor behaviour continually reshape the boundaries of governance and control.

Investor Stewardship

ECGI research on investor stewardship reveals a field in transition—from compliance and box-ticking toward more complex dynamics involving incentives, beliefs, structures, and external political forces. A common theme is that while stewardship continues to grow in influence, its efficacy is often shaped by mechanisms outside the traditional investment contract, and by trade-offs that are not always visible.

A key debate concerns the role of common ownership. In *Strategic Stake Acquisitions in Rival Firms*, researchers show that the form of ownership—whether common or cross—can

Leading by Example: Can One Universal Shareholders' Voting Pre-Disclosure Influence Voting Outcomes?
Rüdiger Fahlenbrach (EPFL, Swiss Finance Institute and ECGI), Nicolas Rudolf (University of Lausanne), Alexis Wegerich (Norges Bank Investment Management)
Finance Working Paper Nº 958/2024

Custom Proxy Voting Advice
Edwin Hu (University of Virginia), Nadya Malenko (Boston College, NBER, FTG, CEPR and ECGI), Jonathon Zytnick (Georgetown University)
Finance Working Paper Nº 975/2024

Managing Ownership by Management
Julian Franks (London Business School and ECGI), Colin Mayer (University of Oxford and ECGI), Hideaki Miyajima (Waseda University and ECGI), Ryo Ogawa (Chiba University of Commerce)
Finance Working Paper Nº 977/2024

Social Priorities, Institutional Quality, and Investment
Amar Gande (Southern Methodist University), Kose John (New York University), Guanmin Liao (Renmin University of China), Lemma W. Senbet (University of Maryland), Xiaoyun Yu (Shanghai Jiao Tong University, National University of Singapore, ABFER, CAFR and ECGI)
Finance Working Paper Nº 971/2024

Loyalty Voting Structures: A Better Dual Class?
Marco Becht (Solvay Brussels School of Economics and Management (ULB), CEPR and ECGI)
Law Working Paper Nº 769/2024

Do Investors Respond to Mechanical Changes in ESG Ratings?
Seungju Choi (University of Miami), Fabrizio Ferri (University of Miami and ECGI), Daniele Macciocchi (University of Miami)
Finance Working Paper Nº 981/2024

significantly alter competition and governance alignment. While common ownership more effectively reduces product market rivalry, it risks misaligning controlling shareholders with minority interests. Yet, *The Bright Side of Common Ownership* suggests that in sectors with high technological spillovers, common ownership can enhance innovation by internalising positive externalities.

Investor preferences also matter. *Sustainability Preferences* finds that investors' stated beliefs about ESG often differ when incentives are introduced. Participants who expected higher returns from ESG funds in incentivised tests were more likely to allocate capital accordingly—suggesting that true sustainability preferences may be stronger than traditional surveys reveal.

The tools of influence are evolving too. *The Proxy Advice Industry and Common Owners' Coordination* shows how proxy advisors may unintentionally coordinate voting in ways that soften competition—simply by fulfilling their fiduciary duties. Meanwhile, *Custom Proxy Voting Advice* explores how tailoring proxy advice to investor profiles can better align stewardship with individual convictions, but may also fragment voting blocks.

Other work addresses the boundaries and limitations of stewardship. *The Unseen 'Others'* critiques conventional frameworks by showing how stewardship often ignores "unseen" beneficiaries like society, the environment, and end investors—highlighting the need to expand regulatory thinking beyond immediate fiduciary duties. Similarly, *Voting on Public Goods* demonstrates how shareholder democracy may conflict with political democracy, especially when ESG efforts by firms provoke political backlash due to unequal representation under one-share-one-vote governance.

Common Ownership and Hedge Fund Activism: An Unholy Alliance?
Zohar Goshen (Columbia University and ECGI), Doron Levit (University of Washington and ECGI)
Finance Working Paper Nº 982/2024

Voting on Public Goods: Citizens vs. Shareholders
Robin Döttling (Erasmus University Rotterdam), Doron Levit (University of Washington), Nadya Malenko (Boston College, NBER, FTG, CEPR and ECGI), Magdalena Rola-Janicka (Imperial College)
Finance Working Paper Nº 988/2024

Strategic Stake Acquisitions in Rival Firms: Common vs. Cross-Ownership
Vincenzo Denicolò (Bocconi University), Fausto Panunzi (Bocconi University, CEPR and ECGI)
Finance Working Paper Nº 995/2024

Multiple-voting shares in Europe -A comparative law and economic analysis
Klaus Hopt (Max Planck Institute for Comparative and International Private Law and ECGI), Susanne Kalss (Vienna University of Economics and Business)
Law Working Paper Nº 786/2024

Sustainability Preferences: The Role of Beliefs
Rob Bauer (Maastricht University and ECGI), Bin Dong (Maastricht University), Peiran Jiao (Maastricht University)
Finance Working Paper Nº 998/2024

The Unseen 'Others': A Framework for Investor Stewardship
Dionysia Katelouzou (King's College London and ECGI)
Law Working Paper Nº 793/2024

The Overlooked Reality of Shareholder Activism in China challenges assumptions that activism cannot thrive in politically centralised systems. The paper shows a surprisingly rules-based market emerging in China, where private actors successfully engage SOEs—complicating narratives about the limits of investor voice globally.

The papers highlight that stewardship is not a monolithic concept—it is strategic, constrained, and evolving in response to political, competitive, and ideological pressures.

Technology

The intersection of technology and corporate governance is rapidly evolving, reshaping traditional models of oversight, control, and accountability. ECGI research emphasises both the opportunities and the frictions created by digital innovation.

One key theme is the shift in information asymmetry brought by big data and AI. As outlined in *Corporate Governance Meets Data and Technology*, digital tools offer unprecedented transparency, but also introduce new disparities in who can access, process, and act on data. Information asymmetry is no longer just between insiders and outsiders—it now depends on the sophistication of stakeholders' technological capabilities.

Blockchain and smart contracts offer potential to redefine ownership and enforcement. Both *Governance and Management of Autonomous Organizations* and *Corporate Governance Meets Data and Technology* explore how decentralised autonomous organisations (DAOs) and smart contracts promise self-executing governance—but also highlight inherent trade-offs. A "trilemma" emerges: decentralisation, autonomy, and efficiency often conflict, and effective governance may still require centralisation and unequal power structures.

The Proxy Advice Industry and Common Owners' Coordination
Tove Forsbacka (Stockholm School of Economics)
Finance Working Paper Nº 1006/2024

Contextualising ESG Funds' Engagement Strategies in Asia
Luh Luh Lan (National University of Singapore and ECGI), Ernest Lim (National University of Singapore and ECGI)
Law Working Paper Nº 807/2024

Technology

Ownership and Trust - A corporate law framework for board decision-making in the age of AI
Katja Langenbucher (Goethe University Frankfurt and ECGI)
Law Working Paper Nº 758/2024

Using Artificial Intelligence to Measure the Family Control of Companies
Mario Daniele Amore (Bocconi University, CEPR and ECGI), Valentino D'Angelo (Bocconi University), Isabelle Le Breton-Miller (HEC Montreal), Danny Miller (HEC Montreal) Valerio Pelucco (Bocconi University), Marc van Essen (University of South Carolina)
Finance Working Paper Nº 950/2024

Governance and Management of Autonomous Organizations
Daniel Ferreira (London School of Economics and Political Science (LSE) and ECGI), Jin Li (The University of Hong Kong)
Finance Working Paper Nº 968/2024

Corporate Governance Meets Data and Technology
Wei Jiang (Emory University and ECGI) Tao Li (University of Florida and ECGI)
Finance Working Paper Nº 970/2024

AI is increasingly embedded in board decision-making. *Ownership and Trust* explores how AI challenges the legal framework of board duties, emphasising the need for directors to "own" AI-augmented decisions even amid black-box complexity. The paper proposes a framework for judicial review that balances accountability with innovation.

Other disruptions, like *finfluencers* in retail markets or crypto-assets under insider law, signal that governance must adapt not only to technology but to culture—as influence, trust, and legitimacy are redistributed across new digital networks.

Political Economy, Groups, and Supply Chains

ECGI Research in this area reveals how deeply corporate governance is entangled with political, economic, and structural dynamics—ranging from geopolitical shifts to group ownership models and procurement networks.

A central theme is the growing politicisation of corporate activity. In *How Did Corporations Get Stuck in Politics and Can They Escape?*, firms are found to engage in political posturing not due to conviction, but as a response to stakeholder pressures, creating reputational and governance risks.

Similarly, *Political Connections and Government Contracting* shows that firms with ties to former military or political figures receive more and higher-value government contracts—especially in less developed countries—though this can distort capital allocation and reduce firm value in mature markets.

The geoeconomic turn in global governance is examined in *Corporate Governance in an Era of Geoeconomics*, which outlines how

Insider Trading in European Law - from financial instruments to crypto-assets
Katja Langenbucher (Goethe University Frankfurt and ECGI)
Law Working Paper Nº 763/2024

Finfluencers and Other Tech Disruptions to Corporate Law -Insights from South Korea and India
Akshaya Kamalnath (Australian National University)
Law Working Paper Nº 779/2024

Political Economy, Groups and Supply Chains

Russian Invasion of Ukraine: The Role of Private Sanctions
Anete Pajuste (Stockholm School of Economics (Riga) and ECGI) Anna Toniolo (Harvard University)
Finance Working Paper Nº 949/2024

Minimum Capital and Cross-Border Firm Formation in Europe
Martin Gelter (Fordham University and ECGI)
Law Working Paper Nº 748/2024

Groups of Companies - A Comparative Study on the Economics, Law and Regulation of Corporate Groups, 2nd edition
Klaus Hopt (Max Planck Institute for Comparative and International Private Law and ECGI)
Law Working Paper Nº 752/2024

Supply Chain within Business Groups: Do Families Prefer Upstream or Downstream Firms?
Jieun Im (Seoul National University), Woojin Kim (Seoul National University and ECGI)
Finance Working Paper Nº 963/2024

Corporate Governance in an Era of Geoeconomics
Curtis J. Milhaupt (Stanford Law School and ECGI)
Law Working Paper Nº 790/2024

supply chain fragility, economic sanctions, and techno-nationalism have pulled firms into roles as quasi-political actors. Corporate boards must now navigate not only market risks but geopolitical uncertainty, adjusting compliance, investor relations, and even disclosure practices accordingly.

Meanwhile, within business groups, supply chain dynamics are increasingly used for internal value extraction. *Supply Chain within Business Groups* shows that controlling families tend to place supplier firms at the top of pyramidal structures to capture profits via related-party transactions. And *Groups of Companies* underscores the legal complexities of regulating intra-group transactions, especially where investor protection is weak.

The Role of Private Sanctions demonstrates that in a moment of geopolitical crisis, corporations can act as de facto foreign policy agents—sometimes more agile than states in responding to conflict, though their capacity remains dependent on market incentives and exposure.

And more...

Other ECGI papers cast light on less-charted but crucial dimensions of corporate governance, spanning oversight duties, comparative systems, reputation management, and global legal pluralism.

One recurring theme is the evolution of director liability and oversight. In *Conceptualizing Caremark*, the once-dormant doctrine of board oversight duties is redefined as a central governance tool, particularly in the wake of ESG and compliance failures. Courts now scrutinise directors' awareness and responses to "red flags," pushing corporate law into domains traditionally governed by regulatory agencies. A related analysis in the *Tepco*

How Did Corporations Get Stuck in Politics and Can They Escape?
Jill Fisch (University of Pennsylvania and ECGI), Jeff Schwartz (University of Utah and ECGI)
Law Working Paper N° 757/2024

Political Connections and Government Contracting: An International Analysis of Procurement Decisions and Firm Value
Douglas Cumming (Florida Atlantic University and ECGI), David Javakhadze (Florida Atlantic University), Masim Suleymanov (University of Houston)
Finance Working Paper N° 976/2024

The Overlooked Reality of Shareholder Activism in China: Defying Western Expectations
Chun Zhou (Zhejiang University), Wei Zhang (Singapore Management University), Dan Puchniak (Singapore Management University and ECGI)
Law Working Paper N° 776/2024

Do Firms Overuse Supplier Financing? Evidence from Global Board Reforms
Corporate Governance and Supplier Financing: Evidence from Global Board Reforms
Douglas Cumming (Florida Atlantic University and ECGI), Jared DeLesile (Utah State University), Jin Lei (Brock University), Zi Yang (McMaster University)
Finance Working Paper N° 1002/2024

More...

Hacking Corporate Reputations
Pat Akey (University of Toronto and ECGI), Stefan Lewellen (Pennsylvania State University and ECGI) Inessa Liskovich (University of Texas at Austin), Christoph Schiller (Ohio State University)
Finance Working Paper N° 948/2024

Corporate Governance Regulation: A Primer
Brian Cheffins (Cambridge University and ECGI)
Law Working Paper N° 750/2024

Derivative Suit explores Japan's expansion of oversight liability following the Fukushima disaster, highlighting tensions between risk management and board discretion.

Corporate resilience takes centre stage in *Risk, the Limits of Financial Risk Management, and Corporate Resilience*, which argues that firms can no longer rely solely on financial hedging. Instead, long-term resilience strategies—organisational flexibility, governance structures, and stakeholder trust—are essential complements to short-term risk mitigation.

The *Hacking Corporate Reputations* paper reveals that data breaches prompt a tangible erosion of corporate reputation—impacting equity, media coverage, and stakeholder loyalty. Firms respond with targeted CSR, political contributions, and wage increases to repair trust, illustrating the reputational value of good governance.

Meanwhile, global governance complexity is explored through *Faux Convergence in Asian Corporate Governance*, which shows that legal transplants often obscure local adaptations. Superficial similarities to Anglo-American models may mislead observers, reinforcing the need for contextual understanding.

The Global South in Comparative Corporate Governance urges a broader lens. Jurisdictions like Brazil, India, and South Africa are not merely passive adopters of Northern norms; they innovate in response to local inequalities, leading a "reverse convergence" in stakeholder-oriented governance.

The 2024 ECGI collection of papers offers a sweeping and deeply insightful contribution to the evolving field of corporate governance, capturing the complexity, urgency, and global scope of today's most pressing issues.

The Global South in Comparative Corporate Governance
Mariana Pargendler (Harvard University and ECGI)
Law Working Paper Nº 751/2024

Conceptualizing Caremark
Roy Shapira (Reichman University and ECGI)
Law Working Paper Nº 765/2024

ESG, Externalities, and the Limits of the Business Judgment Rule: TEPCO Derivative Suit on Fukushima Nuclear Accident and the Expansion of Caremark
Gen Goto (University of Tokyo and ECGI)
Law Working Paper Nº 780/2024

Sticky Charters? The Surprisingly Tepid Embrace of Officer-Protecting Waivers in Delaware
Jens Frankenreiter (Washington University in St. Louis), Eric L. Talley (Columbia University and ECGI)
Law Working Paper Nº 762/2024

Related Party Transactions
Luca Enriques (Bocconi University and ECGI)
Law Working Paper Nº 797/2024

Risk, the Limits of Financial Risk Management, and Corporate Resilience
René Stulz (The Ohio State University and ECGI)
Finance Working Paper Nº 1008/2024

Faux Convergence in Asian Corporate Governance: Unmasking the Illusion of Anglo-American Transplants
Gen Goto (University of Tokyo and ECGI), Dan Puchniak (Singapore Management University and ECGI)
Law Working Paper Nº 811/2024

Half the Firms, Double the Profits: Public Firms' Transformation, 1996-2022
Mark Roe (Harvard University), Charles Wang (Harvard University and ECGI)
Law Working Paper Nº 771/2024

BOOKS

2024 saw an impressive set of book publications from ECGI Research Members, each confronting some of the most urgent challenges in corporate governance, finance, and public trust.

Anat Admati and Martin Hellwig's *The Bankers' New Clothes* (new paperback edition, Princeton University Press) remains a defining critique of the banking system, calling for transparency and safer capital structures. More than a decade since its first release, its arguments feel newly relevant amid rising systemic risk and calls for reform.

In *May Contain Lies* (Penguin), Alex Edmans tackles another frontier: our vulnerability to persuasive-sounding nonsense. By unpacking how data and stories can mislead, Edmans offers tools for both professionals and the public to think more clearly—essential in an age of misinformation.

Colin Mayer's *Capitalism and Crises* (Oxford University Press) delivers a sweeping yet practical vision for repairing capitalism. Mayer argues that corporate purpose and finance must be restructured to deliver not just profit but resilience and societal benefit.

On the governance front, Brian Cheffins' *Advanced Introduction to Corporate Governance Law and Regulation* (Edward Elgar) provides a masterful, accessible survey of evolving legal standards, while *Board-Shareholder Dialogue*, edited by Luca Enriques and Giovanni Strampelli (Cambridge University Press), explores the fast-moving terrain of shareholder engagement.

Two timely contributions on regulation round out the list: Dan Awrey's *Beyond Banks* (Princeton University Press) examines how technology is disrupting money and the regulatory state, and David Hess' *Advanced Introduction to Corporate Compliance* (Edward Elgar) offers a crucial guide to the rising complexity of corporate accountability.

The Bankers' New Clothes: What's Wrong with Banking and What to Do about It
By Anat Admati (Stanford University and ECGI) and Martin Hellwig (Max Planck Institute for Research on Collective Goods and ECGI)

May Contain Lies: How Stories, Statistics and Studies Exploit Our Biases - And What We Can Do About It
By Alex Edmans (London Business School and ECGI)

Capitalism and Crises: How to Fix Them
By Colin Mayer (University of Oxford and ECGI)

Advanced Introduction to Corporate Governance Law and Regulation
By Brian R. Cheffins (University of Cambridge, UK)

Board-Shareholder Dialogue Policy Debate, Legal Constraints and Best Practices
Edited by Luca Enriques (University of Oxford and ECGI) and Giovanni Strampelli (Bocconi University)

Beyond Banks: Technology, Regulation, and the Future of Money
By Dan Awrey (Cornell Law School and ECGI)

Advanced Introduction to Corporate Compliance
By David Hess (University of Michigan)

NEWS

New ECGI website launched

February 2024

At the beginning of 2024, ECGI launched a newly redesigned website aimed at enhancing user experience and furthering its mission of fostering open access research. The platform is built on three core principles: ECGI's identity as a global network, its role as a public good, and its unwavering commitment to improving corporate governance and investor stewardship.

With ECGI's research scope and network expanding rapidly in recent years, the need for a more sophisticated, efficient digital presence was evident. In partnership with Annertech, an award-winning Irish digital agency, ECGI's new site now offers seamless access to a growing body of resources.

What began in 2002 as a modest network with a small cohort of members has now developed into a global platform with thousands of subscribers and monthly users. This growth has been fuelled by the increasing importance of corporate governance, ESG, and investor stewardship, all central to ECGI's work.

The launch of the new website marks another milestone in ECGI's ongoing journey to promote transparent, accountable, and sustainable governance practices, paving the way for even greater global impact.

New Editor appointment to the ECGI Finance Working Paper Series

November 2024

In November, ECGI announced the appointment of Prof. Nadya Malenko as the new editor of the Finance Working Paper Series, succeeding Prof. Mike Burkart, who led the series with distinction for the previous five years. Prof. Malenko, a renowned expert in corporate finance and governance, is a professor at Boston College's Carroll School of Management. Her work has received widespread recognition, including winning the ECGI Working Paper Prize in 2022. She has also received multiple awards for her research, which focuses on board decision-making, shareholder voting, and corporate governance mechanisms.

Prof. Malenko joins the ECGI Finance Editorial Board, alongside colleagues, Renée Adams, Franklin Allen, Julian Franks, Mireia Giné, and Marco Pagano. The Editorial Board is responsible for selecting the best paper in the series.

IWD 2024

International Women's Day

8 March 2024

To celebrate International Women's Day 2024, ECGI published a series of interviews with six leading scholars in corporate governance, law, and finance: Renée Adams, Michelle Lowry, Susan Watson, Luh Luh Lan, Reena Aggarwal, and Jun Yang. These conversations offered a compelling mix of personal reflection, scholarly insight, and forward-looking optimism about the evolving role of women in academia and governance.

Several participants acknowledged that systemic challenges persist—but they also pointed to clear signs of progress. Professor Reena Aggarwal expressed encouragement at the growing number of women making meaningful scholarly contributions, noting that many are now recognised as role models in their fields. This visible shift, she suggested, signals not only progress in representation but in influence.

Professor Michelle Lowry echoed this, highlighting greater diversity on editorial boards and among conference organisers. She remarked on the importance of having women "in the room" where decisions are made, enabling fairer exposure and support for emerging voices in the field.

Professor Renée Adams offered a provocative critique of how academic performance is measured, questioning the over-reliance on publication volume and citation counts—metrics she argued are unsupported by economic theory. Her remarks call for a rethinking of what scholarly value truly means.

From a legal perspective, Professor Susan Watson explored how corporate law still reflects a narrow conception of leadership, shaped by masculine ideals of rationality and control. She advocated for deeper reform—beyond adding women to existing frameworks—to challenge the very assumptions on which those frameworks are built.

Professor Luh Luh Lan drew attention to the diversity of governance contexts across Asia, reminding readers that reforms must be shaped by cultural and institutional realities, not just international templates.

Finally, Professor Jun Yang spoke candidly about the dual expectations placed on women to perform and to serve as role models. She encouraged younger scholars to pursue their intellectual passions and to build communities that value both excellence and authenticity.

The interviews highlight not only the distance travelled but the vibrant momentum behind a more inclusive academic future.

REPORTS

In addition to ECGI's Annual Report, in 2024, ECGI published a number of reports which provided summaries and collections of material from events, blogs and newsletters. These are available on the ECGI website.

A Decade After Paris: Accelerating Progress Towards Net-Zero

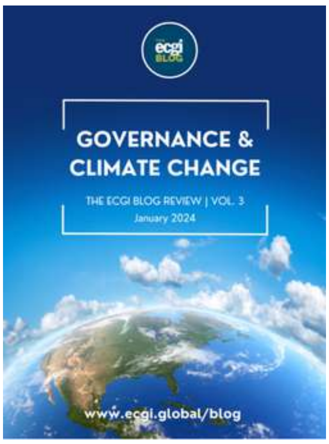
Conference Report | September 2024

The report summarises discussions from the ECGI Responsible Capitalism Summit which took place in September 2024. Topics included climate action urgency, the role of finance in decarbonisation, innovation in industrial decarbonisation, global collaboration and policy alignment, and ensuring a just transition.

The Power of Corporate Culture

Conference Report | October 2024

The report summarises discussions from the ECGI Annual Conference which took place in October 2024. Topics included the central role of corporate culture, measurement challenges, holistic governance, geopolitics, and ESG strategies.



ECGI Blog Review: Governance and Climate Change

Blog Compilation | January 2024

This ECGI Blog series tackled one of the hottest topics in governance and industry; "Climate Change". This collection of articles offers the latest insights and analyses on this crucial topic, helping to shape the discourse and action around climate governance. The series was guest edited by Harald Walkate (University of Zurich CSP) and Thom Wetzer (University of Oxford).

ECGI Blog Review: Volume 4

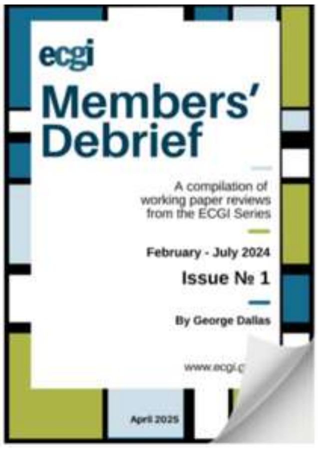
Blog Compilation | August 2024

The ECGI Blog Review Vol.4, 'Special Editions', is a comprehensive collection that captures the evolving landscape of corporate governance. This volume links closely with ECGI's ongoing initiatives on responsible capitalism, corporate purpose, family capitalism, and responsible investment.

ECGI Blog Review: Volume 5

Blog Compilation | December 2024

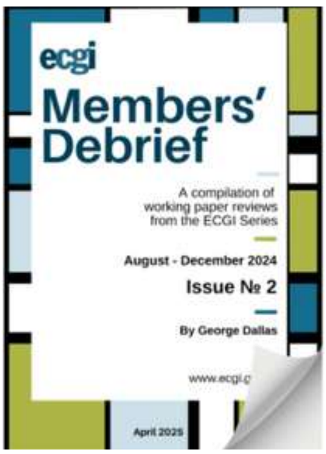
This compilation is a curated exploration of key topics and emerging trends in corporate governance, featuring perspectives from ECGI blog articles published between February 2024 and August 2024. This issue reflects the dynamic nature of corporate governance, capturing discussions from leading corporate governance conferences and drawing attention to themes shaping the field globally.



The ECGI Members' Debrief: Volume 1

Paper Reviews | February - July 2024

This compilation document showcases George Dallas' reviews of new ECGI working papers that catch his eye each month. The reflections are expressed from the perspective of a practitioner who values academic research on corporate governance and stewardship topics.

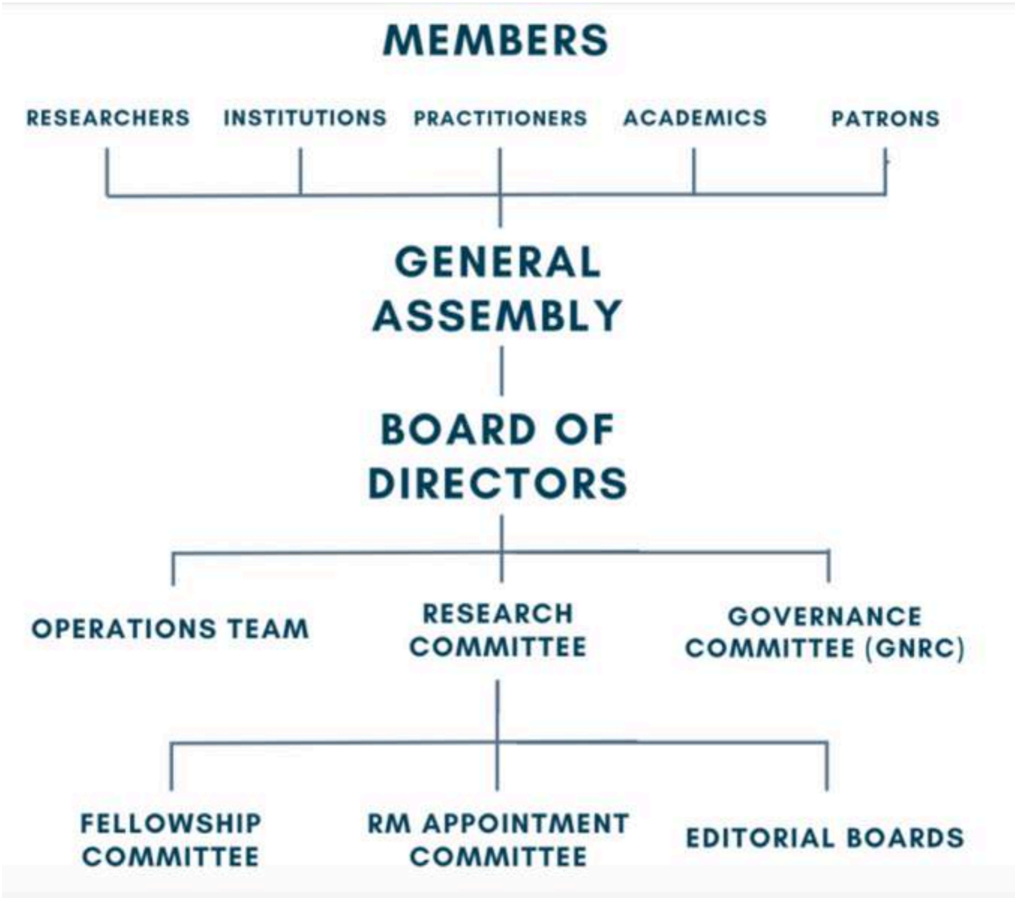


The ECGI Members' Debrief: Volume 2

Paper Reviews | August - December 2024

In this second edition, George Dallas delivers more insightful reviews of ECGI working papers. By August, the Members' Debrief newsletter had become a dependable and well-received communication for ECGI members.

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. The ECGI Board met four times in 2024.

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 2024, the committee was chaired by Genevieve Helleringer. It met four times in 2024, although one of the meetings was not quorate.

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 2024 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 2024 was Professor Kathryn Judge 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 2024, Professor Amir Licht was Editor of the Law Series and Professor Mike Burkart was Editor of the Finance Series (until he stepped down in November).

The Fellowship Committee, chaired in 2024 by Professor Julian Franks, oversees the election by the current Fellows of distinguished academics as EGCI Fellows. This committee did not meet in 2024.

The Research Member Appointment Committee, chaired in 2024 by Professor Jens Dammann, oversees and decides the appointment of new ECGI Research Members. This committee met several times (*in camera*) in 2024 to evaluate 238 applications. The final appointments were announced in February 2025 and will be included in the next report.

The ECGI Operations Team includes one full-time employee and several part-time freelance team members who work remotely in different parts of the world. Together they manage the production of content for the working paper series, event collaborations, blogs and newsletters, along with general administration duties.

2024 Composition

Research Committee
Kathryn Judge (Chair)
Marco Becht
Michelle Lowry
Rajna Gibson
Pedro Matos
Amir Licht
Umakanth Varottil
Mariana Pargendler

Governance, Nominations and Remuneration Committee
Genevieve Helleringer (Chair)
Guy Jubb
Luca Enriques

Research Member Appointments Committee
Jens Dammann (Chair)
Laura Field
Mariana Pargendler
Daniel Ferreira

Fellowship Committee
Julian Franks (Chair)
Patrick Bolton
Ailsa Roell
Mark Roe

Working Papers Law Series Editorial Board
Amir Licht (Editor)
Hse-Yu Iris Chiu
Martin Gelter
Genevieve Helleringer
Kathryn Judge
Wolf-Georg Ringe

Working Papers Finance Series Editorial Board
Mike Burkart (Editor until Nov 2024)
Nadya Malenko (Editor from Nov 2024)
Renée Adams
Franklin Allen
Julian Franks
Mireia Giné
Marco Pagano

2024 BOARD COMPOSITION

There were ten members of the ECGI Board of Directors in 2024. This included three practitioners and seven ECGI Research Members. In October 2024, Reena Aggarwal and Sophie L'Hélias were each re-elected for a second term of three years. Luca Enriques was re-elected for a third and final term of three years.

Subsequently, Sophie L'Hélias stepped down from the ECGI Board in November 2024. The ECGI Board extends enormous gratitude to Ms. L'Hélias for her impactful contributions to ECGI's mission, most notably through her leadership and involvement in the 2024 Responsible Capitalism Summit.

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
Year appointed: 2022

Reena Aggarwal
Research Member
Georgetown University
Year appointed: 2021

Luca Enriques
Fellow, Research Member
Bocconi University
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
LeaderXXchange
Year appointed: 2021
Stepped down: Nov 2024

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

2024 GENERAL ASSEMBLY

General Assembly Meeting

8 October 2024

The 2024 ECGI General Assembly was held on 8 October at the Residence Palace in Brussels, chaired by Professor Herman Daems. Members were welcomed with updates on ECGI's active year, including highlights from the Annual Conference and Working Paper Series, as well as the Global Corporate Governance Colloquium held in New York.

Following the unanimous approval of the 2023 AGM minutes and annual report, the audited accounts for 2023 were presented by Executive Director Marco Becht. He outlined changes to the ECGI-ECGRF relationship, confirming the separation of donations from membership status and introducing a new structure: the Patrons Council, to be co-organised with Oxera. The proposal to set the Patron Membership fee at €30,000 was also introduced.

Professor Becht's report on future priorities focused on sustaining ECGI's open access model and expanding membership income, including the introduction of an annual fee for Research Members. He provided further detail on the Patrons Council, which will bring together a select group of European companies for dialogue on governance policy and research. Questions about AI engagement and US vs. European representation in the Council led to a brief but informative discussion.

The Assembly unanimously approved the 2025 budget, revised membership fees (including new categories and discounts for low-income countries and PhD students), and the reappointment of directors Reena Aggarwal, Luca Enriques, and Sophie L'Hélias. Discharge of the auditor and directors for 2023 was also granted.

Finally, members approved the resolution granting powers to implement the decisions taken, concluding a productive and forward-looking meeting that reinforced ECGI's commitment to global impact and financial sustainability.

2024 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 includes patrons of corporate governance research. The two patrons of ECGRF in 2024 were: AstraZeneca PLC and Investor AB.

The financial year 2024 was particularly successful due to the generous sponsorship of two single events, namely the second responsible capitalism summit which was held in Berlin, and The ECGI Annual Conference which was held in Brussels. Additional sponsorships included the ECGI Blog, the Working Paper Prizes among other helpful contributions from ECGI collaborating partners.

In 2023, ECGI introduced a new membership category for universities and schools. By the end of 2024, ECGI had 33 Academic Institutional Members, each contributing EUR 2,000. Combined, this resulted in a significant profit in 2024.

			Dec 31, 2024	Dec 31, 2023	Dec 31, 2022
ASSETS			Euro	Euro	Euro
	Intangible assets		69,185	75,296	35,217
	Tangible assets		0.00	465	1,971
	Cash at bank				
		Savings Accounts	154,942	11,653	8,509
		Current Accounts	424,255	589,133	496,424
	Total Current/Savings		579,197	600,786	504,933
	Accounts Receivable		*64,803*	*44,415*	*144,913*
	deferred charges		80,648	8,934	37,508
TOTAL ASSETS			**793,834**	**729,897**	**724,542**
	Equity				
		Retained Earnings	620,954	647,645	527,059
		Net Income	100,545	-26,691	120,586
			721,499	*620,954*	*647,645*
	Current liabilities				
		Charges payable	*71,704*	*108,312*	*75,738*
	deferred income		*631*	631	1,159
TOTAL LIABILITIES			**793,834**	**729,897**	**724,542**

Profit and Loss Account

			2024	2023	2022
			Euro	Euro	Euro
Income/Expense					
Income					
	Subscriptions income		206,450	149,199	142,793
	ECGRF Contribution		100,000	150,000	100,000
	GCGC Income (contracted)		61,770	56,911	58,942
	GCGC overhead (15%)		39,241	35,523	32,294
	NFI Covid project (2021-2022)		0	0	74,421
	Sponsorship		162,875	18,000	125,260
	Bank interest/exchange rate loss/gain		9,225	2,401	25,103
Total Income			***579,561***	***412,033***	***558,814***
Expenditure					
	Administration	Accounting & Fin. charges	-22,882	-31,006	-18,331
		Administration Charge	-181,329	-161,534	-134,860
		IT & Online Services	-4,086	-2,609	-2,862
		Office Rental	-6,007	-7,136	-5,500
		Office expenses	-1,146	-2,424	-902
		Travel and representation	-231	-531	-123
		AGM	0	0	0
		Miscellaneous	0	0	0
		Tax payments (VAT and Patrimoine)	-15,811	-24,502	-12,171
	Total Admin		*-231,492*	*-229,742*	*-174,748*
			0		
	Research	Annual Lecture & Prizes	-35,649	-32,290	-56,398
		Conferences & Workshops	-73,172	-49,264	-54,169
		Research & Academic Staff	-6,400	-6,400	0
		Research Communication	-61,782	-53,839	-36,462
		Working papers	-28,752	-33,040	-30,508
		Project Expenditure	0	-3,158	-50,858
		Online Research Portal	-41,768	-30,992	-35,086
	Total Research		*-247,524*	*-208,982*	*-263,480*
Total Expenditure			-479,016	-438,724	-438,228
Net Total Income			**100,545**	**-26,691**	**120,586**

The 2024 audit was conducted by Ghislain Dochen, Réviseur d'entreprises, BE AUDIT SRL, whose offices are located in Belgium, (Registered office: Boulevard du Souverain 24 – 1170 Bruxelles) www.be-audit.be A copy of the Audit Letter is available on request at admin@ecgi.org

MEMBERSHIPS

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 2024, the academic membership subscription was EUR 100 per annum. The members voted in 2024 to increase it to EUR 125.

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 2024, the institutional membership subscription was EUR 2,750 per annum. The members voted in 2024 to increase it to EUR 3,000.

ACADEMIC INSTITUTIONAL MEMBERSHIP
In 2023, ECGI introduced a new membership category for universities and schools. In 2024, the academic institutional membership subscription was EUR 2,000.

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 2024, 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. The members voted in 2024 to introduce a fee of EUR 30,000.

RESEARCH MEMBERSHIP
Research Members are individuals who have been appointed by ECGI. These include ECGI Fellows. In 2024, research membership was free. The members voted in 2024 to introduce a fee of EUR 150.

NOTE: 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

2024 Institutional Members

Academic Institutional Members

Asian Institute of Corporate Governance (new)
Bayes Business School (new)
Berkeley Center for Law and Business (new)
Columbia Law School (new)
Cornell SC Johnson College of Business (new)
Drexel University (new)
Emory University Goizueta Business School (new)
Florida Atlantic University, College of Business (new)
Georgetown Psaros Center for Financial Markets and Policy (new)
Harvard Law School Program on Corporate Governance
HKU Business School (new)
IESE Business School
Imperial College
Kelley School of Business
Monash Law School's Centre for Commercial Law and Regulatory Studies (new)
Nanyang Business School, Nanyang Technological University (new)
National University of Singapore (new)
New York University School of Law
Rotman School of Management (new)
SHoF (Swedish House of Finance) (new)
SMU (Singapore Management University) (new)
SSE Riga (new)
Stanford Law School

Individual Members

In addition to these members, at the end of 2024, ECGI had:

381 Research Members
337 Academic Members
94 Practitioner Members

Institutional Members

AstraZeneca
Banca Generali SpA
Banque de Luxembourg
BlackRock
BNP Paribas Fortis
BonelliErede
CECCAR - The Body of Expert and Licensed Accountants of Romania
Cevian Capital (UK) LLP
Cleary Gottlieb
Davide Campari–Milano N.V.
Deloitte Services & Investments (DSI)
Enel S.p.A.
Euroclear
EY Core Business Services
Instituto Português de Corporate Governance
International Board Foundation
Intesa Sanpaolo SpA
Investor AB
J&A Garrigues, S.L.P.
Latham & Watkins
Latvia’s State Forests (LVM)
Norges Bank Investment Management
NSE | National Stock Exchange of India Limited
Oxera
Pirelli & C. S.p.A.
Société BIC
Société des Produits Nestlé S.A.
Sonae SGPS, SA
Studio Notarile Marchetti
Uría Menéndez Abogados, S.L.P.

ecgi Working Together

AstraZeneca

investor

BlackRock

BANCA GENERALI

BANQUE DE LUXEMBOURG

BIC

BNP PARIBAS FORTIS

BOARD FOUNDATION

BonelliErede

CAMPARI GROUP

CECCAR

Cevian Capital

CLEARY GOTTLIEB

enel

Deloitte.

euroclear

EY Building a better working world

GARRIGUES

LATHAM & WATKINS

Instituto Português de Corporate Governance

INTESA SANPAOLO

Nestlé

LATVIJAS VALSTS MEŽI
KOKSNE • STĀDI • ATPŪTA

NSE
National Stock Exchange of India Limited

NORGES BANK
INVESTMENT MANAGEMENT

oxera

PIRELLI

Sonae

STUDIO NOTARILE MARCHETTI

URÍA MENÉNDEZ

CONTACT

Note: Sections of this report were prepared with AI assistance. Every effort has been made to ensure the accuracy of the information herein contained although errors are possible.

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