1
Country-level institutions, firm value, and the role of corporate social responsibility initiatives [Recurso electrónico] / Sadok El Ghoul, Omrane Guedhami and Yongtae Kim

Este artículo se encuentra disponible en su edición electrónica. Su acceso electrónico es a través del enlace de 'Acceso al documento'

References: p. 378-380

Abstract: Drawing on transaction cost theories and the resource-based view of a firm, we posit that the value of corporate social responsibility (CSR) initiatives is greater in countries where an absence of market-supporting institutions increases transaction costs and limits access to resources. Using a large sample of 11,672 firmyear observations representing 2445 unique firms from 53 countries during 2003–2010 and controlling for firm-level unobservable heterogeneity, we find supportive evidence that CSR is more positively related to firm value in countries with weaker market institutions. We also provide evidence on the channels through which CSR initiatives reduce transaction costs. We find that CSR is associated with improved access to financing in countries with weaker equity and credit markets, greater investment and lower default risk in countries with more limited business freedom, and longer trade credit period and higher future sales growth in countries with weaker legal institutions. Our findings provide new insights on non-market mechanisms such as CSR through which firms can compensate for institutional voids.

Journal of international business studies. -- 2017, v. 48, n. 3, april, p. 360-385

1. Institutions and international business 2. Institutional void 3. Corporate social responsibility 4. Transaction costs 5. Firm value

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2
The effects of information voids on capital flows in emerging markets [Recurso electrónico] / Allison F ingsley and Benjamin A T Graham

Este artículo se encuentra disponible en su edición electrónica. Su acceso electrónico es a través del enlace de 'Acceso al documento'

References: p. 341-343

Abstract: Information voids reflect a lack of publicly available information about a country's investment climate, and represent the information problems associated with institutional voids. We argue that foreign investors differ in their sensitivity to information voids based on their own private information and their flexibility in responding rapidly to change. We predict that foreign banks will be least hampered by information voids, due to their privileged access to private information about local conditions and ability to adapt quickly to new information. Portfolio investors, while impeded by information voids due to their severely limited access to local private information, are able to quickly respond to new information. Foreign direct investors have moderate access to local private information, yet their inability to adapt quickly creates problems dealing with information voids. Using time-series cross-sectional data on local public information and capital flows to the thirty largest emerging markets from 1994 to 2012, we find preliminary support for our hypotheses regarding the sensitivity of different investors to information voids. We find that direct investors are most sensitive to information voids and banks are least sensitive, while portfolio investors are moderately sensitive.

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1. Institutional environment 2. Information 3. Foreign investors 4. Emerging markets 5. Countries 6. Political risk 7. FDI 8. Foreign direct investment 9. Portfolio investment 10. Bank debt

3

Escaping the iron cage [Recurso electrónico] : liabilities of origin and CSR reporting of emerging market multinational enterprises / Valentina Marano, Peter Tashman and Tatiana Kostova

Este artículo se encuentra disponible en su edición electrónica. Su acceso electrónico es a través del enlace de 'Acceso al documento'

References: p. 402-405

Abstract: This article examines the link between the condition of institutional voids in emerging markets and the use of the practice of corporate social responsibility (CSR) reporting by emerging market multinational enterprises (EM-MNEs). Based on neo-institutional theory and in light of the specificity of emerging markets, we propose a positive relationship between institutional voids and CSR reporting. Home-country institutional voids push companies to internationalize as a way to escape the institutional constraints and inefficiencies in their own markets, but at the same time create legitimacy challenges for these companies abroad. In particular, EM-MNEs from less institutionally developed countries are likely to face liabilities of origin – negative perceptions in host countries about these firms' willingness and ability to conduct legitimate business. CSR reporting is an effective strategy to overcome such liabilities and barriers to legitimation as it conveys to host countries and global stakeholders alignment with global metanorms and expectations. Internationalization, listing on developed country stock exchanges, and time, further magnify EM-MNEs' legitimacy challenges and thus the use of CSR reporting to mitigate them. Our hypotheses are supported in a longitudinal study of 157 of the largest EM-MNEs ranked by the United Nations Conference on Trade and Development (UNCTAD) between 2004 and 2011.

Journal of international business studies. -- 2017, v. 48, n. 3, april, p. 386-408

1. Institutional theory 2. Institutional voids 3. Corporate social responsibility 4. Emerging market multinationals 5. Liabilities of origin 6. Legitimacy

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4

Filling institutional voids in emerging economies [Recurso electrónico] : the impact of capital market development and business groups on M&A deal abandonment / Hyejun Kim and Jaeyong Song

Este artículo se encuentra disponible en su edición electrónica. Su acceso electrónico es a través del enlace de 'Acceso al documento'

References: p. 321-323

Abstract: Business groups may fill institutional voids in emerging economies, but empirical research is lacking as to when and how institutional voids affect economic behavior of individual firms. We examine the effect of institutional voids in capital markets on individual transactions in emerging economies, focusing on M&A deals that were abandoned after being publicly announced. M&A deals may fall through when unexpected information is brought to light or financing difficulties arise. At the country level, capital market development can lower the probability of M&A deal abandonment by facilitating the flow of information and capital. At the firm level, when acquirers are affiliated with business groups, development of internal capital markets can also lower this probability, facilitating completion of the transaction and the flow of information. This effect of business groups, however, decreases as the external capital market, the institution replaced by their internal markets, develops and its benefits become widely available to non-business groups. The results of our empirical analyses on M&A transactions in nine emerging economies over 21 years support our arguments.

Journal of international business studies. -- 2017, v. 48, n. 3, april, p. 308-323

1. Institutional environment 2. Emerging markets/countries/economies 3. Business groups 4. Institutional voids

5
Overcoming institutional voids via arbitration [Recurso electrónico] / Brian C Pinkham and Mike W Peng

Este artículo se encuentra disponible en su edición electrónica. Su acceso electrónico es a través del enlace de 'Acceso al documento'

References: p. 356-357

Abstract: Extending the literature on institutional voids, we introduce theory from law that highlights the ability of firms to choose the laws and enforcement mechanisms that govern their international joint ventures (IJVs). Specifically, firms may overcome institutional voids by borrowing institutions via binding international commercial arbitration (BICA) rather than relying on host-market institutions. Leveraging an institution-based view, we develop a theoretical framework to articulate the conditions under which IJV partners may choose BICA as opposed to domestic courts to overcome institutional voids in host markets.

Journal of international business studies. -- 2017, v. 48, n. 3, april, p. 344-359

1. Institutional voids 2. Institution-based view 3. Binding international commercial arbitration (BICA) 4. International joint ventures (IJVs) 5. Transaction cost economics 6. Contracts