

HPAN5018/6018 International Political Economy Formal Assessment

The assessment of this module consists of two components:

Formal assessment 1: essay (50%)

Assess how divergent shareholder protection explains variations in ownership structure between Anglo-Saxon and Rhineland corporate governance models. Explain the pros and cons of concentrated and dispersed ownership.

2500 words

In the essay, you should:

- 1. Critically discuss to what extent the varying degrees of shareholder protection can explain the differences in ownership structure between the two major corporate governance models mentioned.**
- 2. Illustrate the theories that support and criticise the concentrated and dispersed ownership structures.**

To complete this assessment, you may use the following points as guidance:

- Revisit La Porta et al. (1998)^[15] (see lecture notes of Part 2.1 - Taxonomies of Corporate Governance).
- Study Goergen and Renneboog (2003) and examine the evidence for regulatory explanations of investor protection variation.

Formal assessment 2: policy paper (50%)

2500 words

Students will assume the role of a speech-writer for the Department for Business and Trade (DBT) of the UK government and prepare a background policy paper for a forthcoming international forum, which sets out the main reasons for the world financial crisis of 2007-2008 and a consensus of lessons learnt, with scope for new thinking as well.

To complete this assessment, you may use the following points as guidance:

- Study the origin of the crisis and the governance discussion by consulting the papers provided for this part of the course.
- In particular, papers in the folder named "On Mechanism" address specific governance mechanisms proposed by researchers; papers in the folder named "On Stakeholder Theory" focus on the debate between shareholder primacy and stakeholder-oriented thinking.
- The Confucianism papers in "On Stakeholder Theory", although not directly related to the financial crisis, may inspire new thinking about adjusting the direction of modern corporate governance. Therefore, it may also be helpful to review materials in Part 1.4 - Confucian Governance.
- Refer to the theories and any relevant materials you have learnt during the earlier part of this course.