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Kolkata Office:
3A/1, 3rd floor
Hastings Chambers
7C, Kiran Shankar Roy Road
Kolkata-700 001
West Bengal, India
Tel: 91-33-22426439/40/41
Fax: 91-33-22426466
E-mail: info@saharay.com
Website: www.saharay.com

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FOREIGN DIRECT INVESTMENT (FDI) IN CONSTRUCTION DEVELOPMENT SECTOR

The Government of India, (Ministry of Commerce & Industry), vide Press Note 2 (2005) dated 3rd March, 2005, has decided to permit FDI upto 100 per cent under the automatic route, in townships, housing, built-up infrastructure and construction development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure).

Accordingly, Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations 2000 notified vide Reserve Bank Notification No. FEMA 20/2000-RB dated 3rd May, 2000, has been amended vide Notification No. FEMA 136/2005-RB dated 19th July, 2005 [Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) (Third Amendment) Regulations 2005].

Notification No. FEMA. 136 /2005-RB dated July 19, 2005, Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) (Third Amendment) Regulations, 2005

In exercise of the powers conferred by clause (b) of sub-section (3) of Section 6 and Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) and in partial modification of its Notification No.FEMA.20/2000-RB dated 3rd May 2000, the Reserve Bank of India has made amendments in the Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000.

These amendments relate to the infrastructure sector, more particularly townships, housing, built-up infrastructure and construction – development projects. The investment cap has been fixed at 100%.

The investment shall be subject to the following guidelines:

(a) Minimum area to be developed under each project shall be as under :

  (i) In case of development of serviced housing plots – 10 Hectares,
  (ii) In case of construction - development project – 50,000 Square Meters and
  (iii) In case of combination project, any one of the above two conditions.

(b) The investment shall be subject to the following conditions :

  (i) Minimum capitalization of US $ 10 Million for wholly owned subsidiaries and US $ 5 Million for joint ventures with Indian partners. The funds would have to be brought in within six months of commencement of business of the Company.

  (ii) Original investment cannot be repatriated before a period of three years from completion of minimum capitalization. However, the investor may be permitted to exit earlier with prior approval of the Government.

(c) At least 50% of the project must be developed within a period of five years from the date of obtaining all statutory clearances. The investor shall not be permitted to sell undeveloped plots.

(d) The project shall conform to the norms and standards, as laid down in the applicable building control regulations, bye-laws, rules, and other regulations of the State Government / Municipal / Local Body concerned.

(e) The investor shall be responsible for obtaining all necessary approvals, including those of the building / layout plans, developing internal and peripheral areas and other infrastructure facilities, payment of development, external development and other charges and complying with all other requirements as prescribed under applicable rules / bye-laws / regulations of the State Government / Municipal / Local Body concerned.

(f) The State Government / Municipal / Local Body concerned, which approves the building / development plans, shall monitor compliance of the above conditions by the developer.

A DOCUMENTARY ON THE MAJOR ISSUES RELATING TO THE CONCEPT OF STAKEHOLDER AND THE EFFECT THIS HAS ON THE DEVELOPMENT OF GOVERNANCE IN THE UNITED STATES AND JAPAN.

Roy Santanu[1]

Continued from Issue 07…

Friedman's[2] concept of corporate social responsibility is a good example of the normative concept.

According to David Wheeler and Maria Sillanpää[3] alignment of values and dialogue-based empowered relationship are the two basic principles that are common to corporations for its success. Japanese electronics and automobile industry during the 1950's and 1960's had inexpensive and inferior goods. The alignment of values made such a devastating change in the Japanese companies in 1970's that now-a-days nobody has any uncertainty as regards reliability of

[1] **Roy Santanu** is an Associate of Saha & Ray Advocates. He may be reached at santanu.roy@saharay.com, the details of this document is also available online at www.saharay.com/articles.html
[2] Friedman M., "The social responsibility of business is to increase its profits" (September 13th 1970) *New York Times Magazine* 32, 33, 122 & 126.
[3] Wheeler D. and Sillanpää M, "Including the Stakeholders – The Business Case" (1998) 31(2) *Long Range Planning* 201-210.

Honda or Sony goods.[4] This same change in the alignment of values were undergoing in US retail sectors like Wal-Mart.[5] The Body Shop International's Ethical Audit Team Managers are of the view that alignment of values require – "*i. a commitment to share perspectives and benefits … and ii. a willingness to allow collective values to develop and evolve.*"[6]

Also a dialogue based empowered relationship helps flourishing conventional conglomerate in US and Japan. Today's growing economy only adds to complexity and uncertainty.[7] Therefore the best way of achieving success is to base decisions on maximum amount of available information.[8]

Patrick Minford[9] states that a "… *stake-holding economy* … [with] *regulations, explicit or implicit, … compel firms and individuals to act against their own interests in order to give advantage to some group with which they deal – for example employees, customers, suppliers.*"

On the other hand share holders are the owners of a company just as I am the owner of my laptop. It would be unjustifiable if anyone questions me as to how I should use, operate, repair or sell the laptop. In the same way shareholders would never run a company, where the rights of operating the company and its profits are not favouring them. Too much regulation between the shareholder and the company, thereby depriving the profits of the shareholders investments and control, may be dangerous. As a result the shareholder would refrain to invest in the organization.

These areas of control, rights and management make a level playground for corporate governance theory and practice to evolve. Governance is a bridge of communication between the owner, ruler and the end-user as regard better functioning and profitability of a company. Now we understand that the concept of stakeholder model plays a vital role in an organization.

"*Stakeholders have the potential to influence or affect the firm, and/or be influenced or affected by it.*"[10]

David Wheeler and Maria Sillanpää[11] has categorised in *Annexure - A*, the areas which influence Stakeholder Corporation. Archie B. Carroll and Ann K. Buchholtz[12] have further classified the stakeholders in a firm into five major heads of Government, Employees, Community, Owners and Consumers. Furthermore these five heads operate either under the Political or Social or Technological or Economic environment in a society.

During mid 1993, in America shareholders had rather immense pronouncement in the management of an organization they own, whereas workers had to a great extent fewer powers. Also in Japan during that phase managers had independent control to supervise their organizations keeping in mind the profit of the employees, associated companies and shareholders.[13]

It is also important to know that, who are the stakeholders in an organization.

The change in stakeholder participation / involvement of an organization in due course of time can be analysed by the Nestlé case.[14] Nestlé S.A. during 1970's dominated the marketing of infant food formula. Wide-spread marketing in the third-world countries of Nestlé infant food products gave rise to malnutrition, diarrhoea and child death in the under developed countries. It was alleged that Nestlé's marketing tricks encouraged women to choose bottle feeding, thus resulting in a decline in breast feeding which is safer and more healthful. Moreover mothers who were poor tried to curtail the nutrition expense by over-diluting the milk powder to make it last a little longer.[15]

Nestlé probably had stakeholders consisting of Suppliers, Customers, Owners and Employees before the infant formula controversy. After the controversy Nestlé's stakeholder map might have involved additional stakeholders like Unions, Retail Traders, General Public, Infant Formula Action Coalition (INFACT), International Baby Food Action Network (IBFAN), U.N. Agencies (WHO, UNICEF), International Nestlé Boycott Committee (INBC) and many more.[16] So we can infer from the Nestlé case that the concept of understanding, who our stakeholders are, is very important.

On one hand Ross Laboratories[17] was able to develop a co-operative relationship with UNICEF & WHO for its sale of infant formula in third-world countries, by joining them in a program to promote infant health. Nestlé's negligence to trace a particular stakeholder amounted to consumer boycott on the other hand.[18]

Not only does ignoring stakeholder and stakes affect the organization, sometimes it becomes a threat to the environment. Hooker Chemical Company[19] converted Love Canal into a Toxic Waste Dumping Area. In old companies, environmental theories was based on the principle of requisite variety,[20] but in the present world endurance of an organization is dependant on its adjustment to environmental friendly modifications. Due to excessive toxic waste dump in Love Canal area of Niagara Falls about 235 houses near the canal are empty.[21] The owners left the houses because of sudden heavy release of continuous toxins. Environmentalists and the U.S. Government is trying to make Love Canal again protected, however, till today Love Canal is not fit for human habitation. In the present situation environment is an area of utmost concern. The fauna and flora, land and water, atmosphere are all precious for our wellbeing, but lack of importance on environmental issues by the corporations have led to misuse of the environment, degeneration and endangerment.

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[4] The Body Shop International: 1992, 1993 and 1994, *The Green Book 1, 2, 3*; and the Body Shop International: 1996 and 1998, *The Values Report* 1995 and 1997.

[5] Wheeler D, "Memorandum by the Body Sop International" (1992) [A Community Eco-audit Scheme. 12th Report of the Select Committee on the European Communities. *House of Lords Paper* 42 (HMSO, London) 58-59].

[6] Sillanpää M, "The Body Shop Values Report – Towards Integrated Stakeholder auditing" (October 1998) 17 *Journal of Business Ethics* 1445.

[7] Bryan L. and Farell D, *Market Unbound: Unleashing Global Capitalism* (1996, John Wiley and Sons, London).

[8] Wheeler David and Sillanpää Maria, *The stakeholder corporation* [The Body Shop – Blueprint for maximizing stakeholder value] (First ed. 1997, Pitman).

[9] Minford Patrick, *Markets not stakes* (First ed. 1998, Orion Business Books) Ch.1, p.1.

[10] Freeman R. E, *Strategic Management: A Stakeholder Approach.* (1984, Pitman, Boston, MA).

[11] Wheeler David and Sillanpää Maria, *The stakeholder corporation* [The Body Shop – Blueprint for maximizing stakeholder value] (First ed. 1997, Pitman) Part-I, Ch.1, p.5.

[12] Carroll Archie B. and Buchholtz Ann K. (University of Georgia), *Business & Society – Ethics and stakeholder management* (Fourth ed. 2000, South-Western College Publishing) Ch.3, p.68.

[13] The Economist (1993:52); *Also see:* Donaldson Thomas and Preston Lee E., "The stakeholder theory of the corporation: Concepts, Evidence, Implications" (1995) 20(1) *Academy of Management Review* 69.

[14] Sethi Prakash S., *Multinational Corporations and the Impact of Public Advocacy on Corporate Strategy: Nestlé and the Infant Formula Case* (1994, Boston: Kluwar Academic).

[15] "Nestlé's Costly Accord" *Newsweek* (February 6th, 1984) 52.

[16] Freedman Alix M., "Nestlé to Restrict Low-Cost Supplies of Baby Food to Developing Nations" and "American Home Infant-Formula Giveaway to End" (February 4th, 1991) *Wall Street Journal* B1.

[17] Savage Grant T. *et al* (eds.), "Strategies for Assessing and Managing Organizational Stakeholders" (May 1991) Vol. V, No.2 *Academy of Management Executive* 64.

[18] Post James E., "Assessing the Nestlé Boycott: Corporate Accountability and Human Rights" (Winter 1985) *California Management Review* 115-117.

[19] Beauchamp Tom L. and Elliott Martha W., "Hooker Chemical and Love Canal" in Beauchamp Tom L., *Case Studies in Business, Society and Ethics* (1983, Eaglewood Cliffs, NJ: Prentice Hall) 107-115.

[20] Ashby W. R, *Design for a Brain* (1952, Wiley, New York).

[21] Maugh II Thomas H., "Toxic Waste Disposal a Growing Problem" (May 25th,1979) 204 *Science* 64.

Multinational corporations have an increasing list of items as regards responsibilities form 1960's to 1980's. During the 60's attention in the ethics of multinational company has been mounting.[22] As overseas venture increased internationally, efforts were made to implement codes of behavioural structure and proclamation of standards, both intra-firm and globally, into protected strategies for accomplishment. In the early 70's the UN Conference on Trade and Development (UNCTAD) devised a voluntary code of behaviour for transnational enterprises.[23] Neither intercontinental codes nor state laws has been able to check exploitation in all places, and in several occasions, corporate improvement has been tittle-tattle.[24]

During the 1980's translational trade organizations such as OECD[25] and the WTO[26] adopted voluntary codes, while non-governmental organizations for businesses such as the World Business Council for Sustainable Development[27] (WBCSD) and the International Chamber of Commerce[28] (ICC) were not pessimistic as regard the stretch of best practice.

[22] Servant-Schreiber Jean Jacques, *Le defi americain.* (1968, Hamish Hamilton, London); Vernon Raymond, *Sovereignty at bay.* (1971, Basic Books, New York) and Barnet Richard and Mueller Ronald, *Global reach: the power of multinational corporations.* (1974, Simon and Schuster, New York).

[23] Szirmai A, "The dynamics of socio-economic development – An Introduction" (January 2004, Forthcoming: Cambridge University Press) [Draft of Chapter 13: The International Economic and Political Order Since 1945] – Web-link: http://www.tm.tue.nl/ecis/Seminars/EddySzirmai180204.pdf

[24] Bureau of Democracy, Human Rights and Labor, 'Country Reports on Human Rights Practices – 2000' [Afghanistan] (February 23rd, 2001, U.S. Department of State) – Web-link: http://www.state.gov/g/drl/rls/hrrpt/2000/sa/721.htm

[25] "USCIB Position Paper on codes of conduct" – Web-link: http://www.uscib.org/index.asp?documentID=1358

[26] Stern R. M. and Terrell K. (University of Michigan), "Labor Standards and the World Trade Organizations" *Research Seminar in International Economics [Discussion Paper No. – 499]* – Web-link: http://www.fordschool.umich.edu/rsie/workingpapers/Papers476-500/r499.pdf

[27] Green Cross International, 'Globalization and sustainable development: Is Ethics the Missing Link?' (February 21-23, 2002, Earth Dialogues Forum) – Web-link: http://www.earthdialogues.org/documents/synthesis.html

[28] Rovillos R. D. *et al* (eds.), "When the 'Isles of Gold' turns into Isles of Dissent: A case study on the Philippine Mining Act of 1995" (April 15th, 2003, Oxford, England) *Indigenous Peoples, Extractive Industries and the World Bank* – Web-link: http://forestpeoples.gn.apc.org/Briefings/Private%20sector/eir_internat_wshop_philippine_case_eng_apr03.htm

The Caux Round Table[29] implemented global system for cosmopolitan firms. North America and Japan acknowledged five central principals which go well beyond those exemplified in the former codes. These are: 1) stakeholder liability, 2) social fairness, 3) mutual support, 4) environmental apprehension and 5) evasion of illicit manoeuvre and corrupt practice. However this drift in business strategy may be shifting, as an escalating number of conglomerates spot profitability and shareholder interests in their work report as essential target. At the same time they assert corporate responsibility for stakeholders beyond their employees, to include both the environment and the community.

The idea of stakeholder interest has changed considerably by increasing the scale of corporate ethical concern from its original foundation of safety for its own employees to the insertion of environment, community and the society.[30] For example, after the catastrophic episodes with the Brent Spar[31] incident and its Nigerian actions,[32] Shell has realized to look up at its environmental record on many strategies and to have a say to the local regions in which it works. Shell has shaped small management teams in charge for benchmarking the best practices in principal operations for instance flaring and venting, environmental certification, contractors' contributions, energy efficiency, solid waste reduction, drilling discharges, reducing drill cuttings on the seabed and reducing emission.[33] Shell recognized eight spots of assurance in its Statement of General Business Principles: 1. Profitability, 2. Investment, 3. Integrity, 4. Politics, 5. Health, safety and the environment, 6. Community, 7. Competition and 8. Communication.[34]

[29] Centre for Ethical Business Cultures, "Telling the Minnesota Story – The principles attract interest around the world" [E-mail: mail@cebcglobal.org] – Web-link: http://www.cebcglobal.org/Publications/TELMNSTY.htm

[30] Donaldson John, *Business ethics: a European casebook.* (1992, Academic Press, London) 63-65.

[31] "Brent Spar dossier", Shell in the U.K. – Web-link: http://www.shell.com/home/Framework?siteId=uk-en&FC1=&FC2=%2FLeftHandNav%3FLeftNavState%3D1&FC3=%2Fuk-en%2Fhtml%2Fiwgen%2Fabout_shell%2Fbrentspardossier%2Fdir_brent_spar.html&FC4=%2Fuk-en%2Fhtml%2Fiwgen%2Fproductsandservices%2Fprod_serv_impulse.html&FC5=

[32] "Oil related environmental issues", Shell Nigeria – Web-link: http://www.shell.com/home/Framework?siteId=nigeria&FC2=/nigeria/html/iwgen/our_environment/oil/zzz_lhn.html&FC3=/nigeria/html/iwgen/our_environment/oil/dir_indexoilrel_1505_1543.html

[33] *Shell and the Environment*, (1995, Group Public Affairs, Shell International Petroleum Co., London); *Shell UK Environmental Report* (1995, Shell UK Ltd., London); *Health, Safety and Environmental Report* (1997, Royal Dutch / Shell Group of Companies, The Hague).

[34] Williams Corinne (Learning Consultant, Leadership Development. Shell International Limited), "There and Back Again: An Organisational Adventure" [Demonstrating

In reality it is thorny to imagine any government or NGO to relate business ethics. The best that can be done is to follow what conscientious conglomerates are already doing in reply to stakeholder and environmental issues. These principles may be summed as follows: 1) give rational support to well-informed groups seeking modification, 2) support schemes from governments and international organizations which take into account corporate interests as well as others, 3) be aware of a special conscientiousness for the disadvantaged, 4) extend best practices wherever it is possible, 5) persuade suppliers, contractors, co-ventures and partners to follow best-practices and 6) provide credible evidence that they are fulfilling their objectives, as Shell had done with rural communities in Scotland.[35]

Frank Birkin and David Woodward believe in a similar way on the principle '*Think globally, act locally*'.[36] The '*act locally*' consists of two fundamentals: i. the ecosystem and ii. the social system. Smith is of the view that environmentalism has four factors which shape the dynamics of the company: i. *increased public concern*, ii. *green consumerism*, iii. *diffusion of green values* and iv. *increased state regulation*.[37]

Johanna Kujala[38] developed a framework for analysing moral issues in stakeholder relations. For doing this framework he interviewed managers representing the chemical, forest, food, metal, textile and manufacturing industries. In this project he first divided the stakeholders into eight groups of customer, employees, owners, competitors, suppliers and dealers, community and government, financiers and environment. The moral issues mentioned in the interview in relation to the eight stakeholder groups are classified in *Annexure – B* from the finding of Kujala. Honesty was included both in information and advertising issues under the relationship with customers.

Overcoming Adversity] (February 28th, 2004) CSR Conference – *Business is Changing* – Julian Hodge Lecture Theatre – Cardiff Business School. {Central theme if the discussion – *Certain events in the mid-nineties such as decommissioning of Brent Spar and events in Nigeria – affecting Shell reputation – Shell's effort to understand expectation of society, business conduct, new principles.*}

[35] *Report to Society* (1998, Shell UK Ltd., London) 2.

[36] Birkin F. and Woodward D. [Staffordshire Business School], "Management accounting for sustainable development – Part 3: Stakeholder analysis" (September 1997) 75(8) *Management Accounting* 58-60.

[37] Smith D, *Business and the Environment* (1993, Paul Chapman).

[38] Kujala J, "Analysing moral issues in stakeholder relations" (July 2001) 10(3) *Business Ethics: A European Review* 233-243.

Origin of the Japanese system of corporate governance.

Japanese model of corporate governance has time and again been portrayed as a well-organized and practical substitute to the corporate governance machinery available in the Western countries, and in particular, in the 'Anglo-Saxon' financial system of the United States of America. In the Anglo-American world, managerial incentive schemes (like stocks, performance based compensation), hostile takeovers and the labour market for top managers (Managers' rewards) were regular characteristics. Japanese fashion of corporate governance was conventionally based on scrutinizing & involvement of large shareholders[39] and creditors[40] (normally banks). Existing structure of corporate governance in Japan started during the wartime period. The financial system before war and during war-time Japan was dominated by big, diversified multinationals (*Zaibatsu)* which controlled one quarter of all capital resources in the nation, and much well-built share in contemporary heavy industries.[41] The *zaibatsu* were a family unit, as large as a corporations, supervised through investment groups, which in turn, held a huge number of shares in a first tier of subsidiaries.

The *zaibatsu* closure reforms started just after the end of the war and by 1950 most *zaibatsu* ended. The consequential transformation of ownership was of massive magnitude, and over 40% of all corporate assets in Japan changed hands.[42] The shares relocated were again sold by the investment company's Liquidation Commission, using numerous schemes which were planned to guarantee a scattered ownership structure.[43] In reality, subsequent to the end of reforms, shareholding by individuals in Japan achieved an all-time high of approximately 70% during 1949.[44] This blueprint of possession, in which the principal shareholders are non-financial and financial companies rather than individuals or investment funds, still subsist in Japan. One probable rationale, why the stage of dispersed ownership in Japan was so squat, is that the transformed companies in Japan were exposed to aggressive takeovers, given the scattered ownership and the low equity prices in the Tokyo Stock Exchange soon after the war.[45] Dispersed ownership might have been substituted by strong family ownership. It seems that strong family ownership did not happen in Japan, because the old capital of the pre-war period was destroyed by the American occupation reforms, which exposed the affluent *zaibatsu* family units of most of their assets.[46]

In America family units hold nearly 60% of the outstanding corporate equity, whereas in Japan the analogous figure is only to some extent more than a quarter.[47] Conversely, banks hold over 20% of all outstanding corporate equity in Japan, versus zero percent in the USA.[48] Therefore in Japan there are usually steady owners, rather than liquid portfolio investors. Hence there is elevated constancy of ownership pattern in Japan, showing slight change in corporate ownership over episodes of eight or additional years.[49] Besides concentration and constancy, there were cross-shareholding arrangement of Japanese concerns within the bank-centered corporate groups (*Keiretsu*).[50] Japanese firms were bank-financed, and money owing relations, much like ownership knots, tended to be steady.[51] There is no suspicion, that shareholders and banks have played a central role in the corporate governance of Japan, without any help of western corporate governance mechanisms. Long-term incentives, bag a much finer share of a US executive's salary than they do for CEOs in Japan.[52]

Kester's[53] Japanese corporate business skeleton after the Second World War included, *i. implicit contracting founded on trust, ii. extensive reciprocal shareholdings and trade agreements with few stakeholders, iii. managerial incentives toward overall corporate growth and iv. selective intervention and coordination by key stakeholders.* The *Keiretsu* conglomerates had two mantras of governance - Funds and Guarantees through which they spread out their set of connections in two tracks. Corporations used to make a mesh of their merchant (commonly in order of low prices) to barter for procurement guarantees and future improvements. Also, corporations used to appoint workforces (generally on a very low wage basis) with lifetime employment assurance. As a result the enormous reserves generated profits, which may be used as investments to make energetically growing markets.[54] Both the *zaibatsu* and the *keiretsu* structures have their own potency, at diverse stages of maturity. The stakeholder model may be more rapid in developing companies and markets with lesser costs because it erects on a set of individual relationships and guarantees.[55]

To be continued in the next issue…

[39] Shleifer A. and Vishny R, "Large Shareholders and Corporate Control" (1986) 94(3) *Journal of Political Economy.*

[40] Diamond D, "Financial Intermediation and Delegated Monitoring" (1984) 51(3) *Review of Economic Studies.*

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[42] Bisson T, *Zaibatsu Dissolution in Japan* (1954, University of California Press, Berkeley, CA).

[43] Hadley E, *Antitrust in Japan* (1970, Princeton University Press, Princeton, NJ).

[44] Aoki M, *Information, Incentives and Bargaining in the Japanese Economy* (1988, Cambridge University Press, Cambridge).

[45] Miyajima H, "The Transformation of Zaibatsu to Postwar Corporate Groups – From Hierarchically Integrated Groups to Horizontally Integrated Groups" (1994) 8(3) *Journal of the Japanese and International Economies*.

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[47] Weinstein D. and Yafeh Y, "On the Costs of a Bank-centered Financial System: Evidence from the Changing Main Bank Relations in Japan" (1998) 53(2) *Journal of Finance*.

[48] Weinstein D. and Yafeh Y, "Japan's Corporate Groups: Collusive or Competitive? An Empirical Investigation of *Keiretsu* Behaviour" (1995) 43(4) *Journal of Industrial Economics.*

[49] Yafeh Y. and Yosha O, "Large Shareholders and Banks: Who Monitors and How" (1999) [Unpublished manuscript] – The Hebrew University, Jerusalem.

[50] Flath D, "Shareholding in the *Keiretsu*: Japan's Corporate Groups" (1993) 51(3) *Review of Economic Studies.*

[51] Aoki M. *et al* (eds.), 'The Japanese Main Bank System: An Introductory Overview', in Aoki M. and Patrick H. (eds.), *The Japanese Main Bank System* (1994, Oxford University Press, Oxford).

[52] Sheard P, 'Interlocking Shareholdings and Corporate Governance in Japan', in Aoki M. and Dore R. (eds.), *The Japanese Firm: The Sources of Competitive Strength* (1994, Oxford University Press, Oxford).

[53] Kester Carl W, *Japanese takeovers – The global contest for corporate control* (1991, Mass, Boston).

[54] Schulz M, *Monetary Policy and the Flow of Funds in Japan* (1998, Marburg, Germany).

[55] Horiuchi A, "Liberalization and Stability in the Japanese Financial System – An Overview" (1995) *University of Tokyo, Department of Economics, Discussion Paper* 95-F.