

**UNIVERSIDAD DE SALAMANCA**

**Facultad de Economía y Empresa**

**Departamento de Administración y Economía de la Empresa**



**Tesis Doctoral**

**DEL BUEN GOBIERNO CORPORATIVO A LA RENDICIÓN DE CUENTAS**

**DE LAS POLÍTICAS PÚBLICAS: Retos del Siglo XXI**

**Autora**

Elida Maia Ramires

**Directora de Tesis**

Esther del Brio Gonzalez, PhD.

**CoDirectora de Tesis**

Valéria Ferreira Santos de Almada Lima, PhD.

**Salamanca, España, 2023**



**UNIVERSIDAD DE SALAMANCA** FACULTAD DE ECONOMIA Y EMPRESA

Departamento de Administración y Campus "Miguel de Unamuno"

Economía de la Empresa 37007 SALAMANCA (SPAIN)

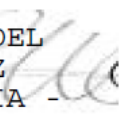
Tel.: +34 923 294 640 Ext. 3506

Fax.: +34 923 294 715

### **AUTORIZACIÓN DE LOS DIRECTORES DE LA TESIS DOCTORAL PARA SU PRESENTACIÓN**

Dra. Esther Basilia del Brío González y Dra. Valéria Ferreira Santos de Almada Lima, como Directora y Codirectora de la Tesis Doctoral "DEL BUEN GOBIERNO CORPORATIVO A LA RENDICIÓN DE CUENTAS DE LAS POLÍTICAS PÚBLICAS: Retos del Siglo", realizada por Dña. Elida Maia Ramires (Elida Lago Maia, en España) en el Departamento de Administración y Economía de la Empresa de la Universidad de Salamanca, autorizan su presentación a trámite dado que reúne las condiciones necesarias para su defensa.

Y para que conste a los efectos oportunos, se firma la presente a 30 de octubre de 2023.

Firmado por DEL  
BRIO GONZALEZ  
ESTHER BASILIA -   
\*\*\*7610\*\* el día

Documento assinado digitalmente  
**gov.br** VALERIA FERREIRA SANTOS DE ALMADA LIMA  
Data: 31/10/2023 08:23:40-0300  
Verifique em <https://validar.iti.gov.br>

Fdo. Esther Basilia del Brío González

Fdo. Valéria Ferreira Santos de Almada Lima

*Para mi familia y, en especial, para mi hijo Matheus, que ha comprendido el significado de un trabajo de tesis y ha sido, todavía siendo un niño, un verdadero compañero y apoyo en todos los momentos. Y a mi directora de tesis, profesora Esther Basília del Brío González, por ser ejemplo y motivación en cada momento de mi trayectoria académica.*

## AGRADECIMIENTOS

La presente tesis que hoy presento es, sin duda, la consecución de un objetivo que no hubiera sido posible sin el apoyo, la confianza y la colaboración de muchas personas que se cruzaron en mi vida y, en algún momento, caminaron conmigo. Soy consciente de que en este largo camino, muchas personas han contribuido a este fin y, lamentablemente, no podré nombrarlas a todas. Por ello, ahora procederé a ofrecer unos agradecimientos especiales, resaltando que otras tantas personas son parte de ese momento de mi felicidad y fueron fundamentales para este logro.

Primeramente doy gracias al que sabe todas las cosas, y que me guía por el camino recorrido por Él... Gracias Señor por todo este caminar y por sentirte a mi lado a cada día.

A mis padres, Manuel y Dulce, por creyeren en mí y por el amor incondicional. A mis hermanas, cuñados, sobrinos, ti@s y prim@s, en España y Brasil, por el cariño y apoyo que siempre me brindaron. A Gustavo por estar siempre a mi lado sin importar las circunstancias y a mi hijo Matheus, por ser mi aliento diario. Gracias por vuestra paciencia, ánimo y comprensión ante mis ausencias.

A mis amigos de toda la vida, destacando aquí mi maestro y amigo José Humberto Viana Lima Júnior y mi amiga Renata Ferreira Salles, por compartirem conmigo momentos de inseguridad y alegría durante la realización de este trabajo.

A los amigos, profesores y alumnos de la antigua FEA y actual FACC de la *Universidade Federal de Juiz de Fora*, institución donde he dado mis primeros pasos hacia mi carrera profesional y onde hoy soy realizada como tal. Gracias por todo el apoyo que me habéis brindado durante todo este tiempo. Soy feliz y tengo mucho orgullo de ser parte de este equipo. El contacto con todos vosotros fue y sigue siendo una fuente fundamental de nuevos conocimientos y estimulación intelectual.

A la coordinación del Programa de Doctorado en Economía de la Empresa de la Universidad de Salamanca y en especial a la Profesora Isabel Suárez y María Mercedes Martos, las Coordinadoras del Programa mientras he estado como alumna, por las oportunidades y por contribuir a este curso de excelencia.

Al profesor Alberto de Miguel Hidalgo, por aceptarme como su becaria durante mi primera estancia en la Universidad de Salamanca, siempre atento y paciente, y por ser un ejemplo de profesional al que admiro.

A los profesores Javier Perote Peña, Mari Cruz Sánchez Gómez y Guilherme Augusto Pereira Malta por su disposición a ayudarme y compartir sus conocimientos en el área metodológica, tanto cuantitativa como cualitativa, conocimientos esos que fueron fundamentales para el desarrollo de mis trabajos.

Agradezco también a profesora Valéria Ferreira Santos de Almada Lima, mi codirectora de tesis y que me ha acompañado en el proceso de cotutela durante mi estancia en la Universidad Federal do Maranhão...Y a todos los demás profesores del Programa de Doutorado en Políticas Públicas de la UFMA... Por todo el cariño y las enseñanzas transmitidas en el área de políticas públicas, ¡Gracias!

Y de manera muy especial, quiero expresar aquí mi agradecimiento a aquella que fue fundamental para que se llegase al fin ese trabajo: mi directora de tesis, ¡profesora Esther Basília del Brío! Gracias por creer y confiar en mí, intercambiando experiencias de su recorrido académico conmigo, fortaleciendo así mi voluntad de continuar. Estoy muy agradecida a Dios por haberme brindado una directora de tesis con quién aprendí, aprendo y todavía quiero aún aprender mucho...enseñanzas que ultrapasaron los conceptos académicos. Gracias por creer en mí cuando yo dudaba de mí misma. ¡Miles de gracias por todas las enseñanzas y oportunidades! Yo no habría llegado hasta aquí si no fuera por todo su compromiso y dedicación conmigo.

*Salamanca, Spain 2023*

*Elida Maia Ramires*

## RESUMEN

El inicio del siglo XXI fue marcado por grandes colapsos de empresas consolidadas y de quiebras de empresas de auditoría que supuestamente ejercían sus labores para resguardar los accionistas. El tema del gobierno corporativo que tímidamente ya venía siendo tratado ha ganado importancia y ha modificado el comportamiento de las corporaciones privadas y, posteriormente, también de las instituciones públicas. Mayor control de la información publicada, Códigos de buen gobierno, Regulaciones y sistemas de *compliance* han sido modificados o desarrollados. La presente tesis abarca un marco temporal amplio en el contexto español que va desde la aprobación de los primeros códigos de buen gobierno en España y se cierra casi al mismo tiempo que ha ocurrido en España la aprobación de la primera ley de evaluación de políticas públicas, en noviembre de 2022. Así, el presente trabajo de investigación sigue una estructura con un formato de tres artículos buscando observar aspectos del buen gobierno, ya sean en las empresas privadas, ya sean en las organizaciones públicas. Cada uno de los tres artículos ha constituido un trabajo de investigación de carácter empírico en torno de ese tema y con un determinado objetivo. Para ello se ha utilizado distintas metodologías, cuantitativas y cualitativas, como clúster, discriminante, modelos de regresión con la técnica de datos de panel y análisis de contenido.

El primero artículo nos remite a la discusión sobre el impacto de las primeras recomendaciones de buen gobierno en España. El objeto principal de este estudio consiste en analizar la relación entre los mecanismos de buen gobierno y el valor de la empresa, además de analizar algunas prácticas específicas de las empresas que buscan minimizar el conflicto de agencia entre los directivos y accionistas. Los resultados sugieren que el cumplimiento del código Olivencia impacta positivamente en los resultados empresariales, así como la comunicación por parte de las empresas de hechos relevantes como la retribución de los directivos a la Comisión Nacional del Mercado de Valores y poseer un informe de auditoría sin salvedades

Ya el segundo artículo trata del impacto de la estructura de propiedad, como mecanismo de buen gobierno, sobre la estrategia empresarial. La teoría de la agencia sugiere que los gerentes que están menos alineados con los inversores

externos tienden a diseñar estrategias corporativas que persiguen el crecimiento en lugar de la maximización del valor. Exploramos, así, la relación entre la estructura de propiedad y la diversificación en España como un ejemplo de un país que proporciona un escenario particularmente adecuado para el análisis, puesto que hay evidencia sobre la protección más débil de los inversores y el nivel de asimetrías de información es muy elevado. Los resultados confirman la relevancia teórica de la teoría de la agencia para explicar las actitudes gerenciales hacia una estrategia corporativa particular, es decir, la diversificación. Estos resultados también corroboran la relevancia de los mecanismos de gobierno corporativo en la promoción de estrategias de maximización del valor de las empresas. Encontramos que varias variables de control incluidas en el modelo ayudan a modular el nivel de diversificación; estos incluyen el nivel de deuda y el cumplimiento de los códigos de buenas prácticas, como lo predice la teoría de la agencia. Sin embargo, no se detecta una relación concluyente para la compensación y diversificación de ejecutivos

Finalmente el tercer artículo ha buscado hacer un análisis cualitativo de la rendición de cuentas de los planes de políticas públicas de educación financiera nacidas en España, dentro del contexto de la *Organisation for Economic Co-operation and Development* (OECD). A partir de la técnica de análisis de Contenido se buscó informaciones sobre la rendición de cuentas a partir de los documentos de balances del Plan de Educación Financiera 2008-2012, Plan de Educación Financiera 2013-2017 y Plan de Educación Financiera 2018-2021. Los resultados sugieren que los distintos planes tienen informes aún con características concentradas solamente en explicar e informar, reduciendo los mismos a la dimensión de *answerability*, y equiparando a la noción de transparencia gubernamental. Es importante resaltar que la rendición de cuentas debe legitimarse incluso en la dimensión de *enforcement*, de manera a corroborar la ética y la gestión eficiente del uso de los recursos públicos.

Así, el trabajo de investigación que se desarrolló en la tesis ha buscado, a partir de las teorías fundamentales en economía de empresas desenvueltas durante el siglo XX - incluida la teoría de la agencia y la concepción moderna de las corporaciones -, discutir los retos que se han impuesto en el siglo XXI, avanzando en la discusión

sobre los cambios en la concepción de la responsabilidad social y la correcta gobernanza de empresas privadas e instituciones públicas, tema ese que se constituye en una importante fuente de aprendizaje.



## ABSTRACT

The beginning of the 21st century was marked by major collapses of consolidated companies and bankruptcies of auditing companies that supposedly carried out their work to protect shareholders. The issue of corporate governance, which had already been timidly being discussed, has gained importance and has modified the behavior of private corporations and, subsequently, also of public institutions. Greater control of published information, Good governance codes, Regulations and compliance systems have been modified or developed. This thesis covers a broad time frame in the Spanish context that goes from the approval of the first good governance codes in Spain and closes almost at the same time that the approval of the first public policy evaluation law occurred in Spain. in November 2022. Thus, this research work follows a structure with a format of three articles seeking to observe aspects of good governance, whether in private companies or in public organizations. Each of the three articles has constituted an empirical research work on that topic and with a specific objective. For this purpose, different quantitative and qualitative methodologies have been used, such as cluster, discriminant, regression models with the panel data technique and content analysis.

The first article refers us to the discussion about the impact of the first good governance recommendations in Spain. The main objective of this study is to analyze the relationship between good governance mechanisms and the value of the company, in addition to analyzing some specific practices of companies that seek to minimize the agency conflict between managers and shareholders. The results suggest that compliance with the Olivencia Code has a positive impact on business results, as well as the communication by companies of relevant facts such as the remuneration of directors to the Spanish Supervisory Stock Exchange Commission and having an unqualified audit report.

The second article deals with the impact of the ownership structure, as a good governance mechanism, on business strategy. Agency Theory suggests that managers who are less aligned with outside investors tend to design corporate strategies that pursue growth rather than value maximization. We thus explore the relationship between ownership structure and diversification in Spain as an

example of a country that provides a particularly suitable setting for analysis, since there is evidence of weaker investor protection and the level of investment asymmetries. information is very high. The results confirm the theoretical relevance of Agency Theory in explaining managerial attitudes towards a particular corporate strategy, that is, diversification. These results also corroborate the relevance of corporate governance mechanisms in promoting companies' value maximization strategies. We find that several control variables included in the model help modulate the level of diversification; These include the level of debt and compliance with codes of good practice, as predicted by Agency Theory. However, a conclusive relationship is not detected for executive compensation and diversification.

Finally, the third article has sought to make a qualitative analysis of the accountability of public financial education policy plans born in Spain, within the context of the Organisation for Economic Co-operation and Development (OECD). Using the Content Analysis Technique, information on accountability was sought from the balance sheet documents of the Financial Education Plan 2008-2012, Financial Education Plan 2013-2017 and Financial Education Plan 2018-2021. The results suggest that the different plans have reports that still have characteristics focused only on explaining and informing, reducing them to the dimension of answerability, and equating them to the notion of government transparency. It is important to highlight that accountability must be legitimized even in the enforcement dimension, in order to corroborate the ethics and efficient management of the use of public resources.

Thus, the research work developed in the thesis has sought, based on the fundamental theories in business economics developed during the 20th century - including Agency Theory and the modern conception of corporations -, to discuss the challenges that have been imposed in the 21st century, advancing the discussion on changes in the conception of social responsibility and correct governance of private companies and public institutions, a topic that constitutes an important source of learning.

## TABLE OF CONTENTS

### CHAPTER I: INTRODUCTION

I.0 CONTEXTUALIZACIÓN .....	1
I.1 EL BUEN GOBIERNO CORPORATIVO .....	5
I.2 LA DIVERSIFICACIÓN EMPRESARIAL Y SU RELACIÓN CON LAS ESTRUCTURAS DE PROPIEDAD Y DE CAPITAL DE LA EMPRESA.....	7
I.3. RENDICIÓN DE CUENTAS Y EL PROCESO DE POLÍTICAS PÚBLICAS .....	11
I.4. OBJETIVOS Y ESTRUCTURA DEL TRABAJO .....	14

### CHAPTER II: CORPORATE GOVERNANCE MECHANISMS AND THEIR IMPACT ON FIRM VALUE

II.1. INTRODUCTION .....	19
II.2. REVIEW OF PREVIOUS RESEARCH.....	21
II.3. DATA AND METHODOLOGY.....	25
II.4. THE SUITABILITY OF THE OLIVENCIA CODE FOR SPANISH FIRMS .....	28
II.5. EXPLAINING THE EFFECTS OF THE APPLICATION OF THE OLIVENCIA CODE ON A FIRM'S VALUE .....	31
II.6. RESULTS .....	36
II.7. CONCLUSIONS.....	39

### CHAPTER III: OWNERSHIP STRUCTURE AND DIVERSIFICATION IN A SCENARIO OF WEAK SHAREHOLDER PROTECTION

III.1. INTRODUCTION .....	41
III.2. DIVERSIFICATION AS AN AGENCY COST .....	43
III.3. HYPOTHESES .....	45
III.3.1. Ownership Concentration and Insider Ownership.....	45
III.3.2. Control Variables .....	47
III.4. SAMPLE AND METHODOLOGY .....	49
III.5. RESULTS .....	51
III.5.1. Ownership Concentration and Diversification .....	51
III.5.2. Insider Ownership and Diversification .....	54

III.5. 3. Diversification, Insider Ownership and Ownership Concentration.....	56
III.6. DISCUSSION AND CONCLUSIONS .....	58

**CHAPTER IV: ACCOUNTABILITY AND THE POLICY-MAKING PROCESS: CONCEPTUAL AND METHODOLOGICAL ASPECTS IN PUBLIC POLICY AND EMPIRICAL EVIDENCE OF ACCOUNTABILITY IN FINANCIAL EDUCATION POLICY IN SPAIN**

IV.1. INTRODUCTION .....	60
IV.2 THE POLICY-MAKING PROCESS .....	64
IV.2.1 Identification of the issue.....	64
IV.2.2 Setting of the agenda .....	65
IV.2.3 Public Policy Formulation.....	67
IV.2.4 Public Policy Implementation and Execution.....	68
IV.2.5 Evaluation of the public policy .....	69
IV.2.6 The final circle: Public Policy Accountability .....	71
IV. 3 PUBLIC POLICIES IN FINANCIAL EDUCATION.....	73
IV.3.1. Financial Education in the World. ....	73
IV. 3 2 Financial Education in Spain. ....	76
<i>IV. 3.2.1 Education initiatives, public actors and arenas.....</i>	<i>76</i>
<i>IV. 3.2.2. Accountability Reports of the four Strategic National Plans on financial education in brief. ....</i>	<i>79</i>
IV. 4 EMPIRICAL EVIDENCE OF THE ACCOUNTABILITY OF THE FINANCIAL EDUCATION PLAN.....	80
IV.4.1 The Policy-making process of Financial Education in Spain in brief. The 5 different phases. ....	81
IV.4.2 Content analysis of the four editions of the Strategic National Plan on financial education. ....	83
IV. 5 RESULTS .....	86
IV. 5.1 Frequency Distribution.....	86
IV. 5.2 Cloud Analysis.....	90
IV. 5.3 Cluster analysis .....	94
IV. 5.4 Codification and Analytical dimensions. ....	95

IV. 6 CONCLUSIONS .....	100
<b>CHAPTER V: CONCLUSIONS.....</b>	<b>105</b>
<b>LIST OF REFERENCES .....</b>	<b>114</b>

## List of Tables

<b>Table.....</b>	<b>Pg</b>
II.1: Number of Firms by Sector.....	26
II.2: Statistics Descriptives .....	27
II.3: Olivencia Code Recommendations Compliance.....	29
II.4: Discriminant Analysis Results. ....	30
II.5: Description of Variables in Model (1).....	34
II.6: Panel Data Estimate. ....	36
III.1: Descriptive Statistics.....	49
III.2: Results for The Panel Data Estimation of Model 1: Diversification And Ownership Concentration. ....	52
III.3: GMM Estimation of Model 2: Diversification and Insider Ownership .....	54
IV.1- Types of Public Policy Analysis .....	83
IV.2 - Categories of the structuring of the Financial Education Plans Accountability Report.....	85
IV.3 – The 15 most frequent words in the accountability report of the National Financial Education Plan 2008-2012 .....	87
IV.4 – The 15 most frequent words in the accountability report of the National Financial Education Plan 2013-2017 .....	88
IV.5 – The 15 most frequent words in the accountability report of the National Financial Education Plan 2018-2021 .....	89
IV.6 – The 15 most frequent words in the accountability report in the National Financial Education Plans in Spain from 2008 to 2021 .....	90

## List of Figures

Figure.....	Pg
III.1: Quadratic relationship for ownership concentration and diversification.....	53
III.2: Cubic relationship between insider ownership and diversification.....	56
III.3: Interaction between diversification and ownership concentration. Sensitivity to insider ownership .....	57
IV.1 – Policy Cycle and Public Governance.....	71
IV.2 - Context and Justification.....	75
IV.3 – Cloud models of the most frequent words in the accountability report of the National Financial Education Plan 2008-2012.....	91
IV.4 – Cloud models of the most frequent words in the accountability report of the National Financial Education Plan 2013-2017.....	92
IV.5 – Cloud models of the most frequent words in the accountability report of the National Financial Education Plan 2018-2021.....	93
IV.6 – Cloud models of the most frequent words in the accountability report in the National Financial Education Plans in Spain from 2008 to 2021.....	94
IV. 7 – Cluster analysis of the words in the accountability report in the National Financial Education Plans in Spain from 2008 to 2021 .....	95
IV. 8 – Distribution based on the analytical dimensions in the accountability report of the National Financial Education Plan 2008-2012 .....	96
IV. 9 – Distribution based on the analytical dimensions in the accountability report of the National Financial Education Plan 2013-2017 .....	97
IV. 10 – Distribution based on the analytical dimensions in the accountability report of the National Financial Education Plan 2018-2021 .....	98
IV. 11 – Distribution based on the analytical dimensions in the accountability report in the National Financial Education Plans in Spain from 2008 to 2021 .....	99

**List of Appendix**

**Appendix..... Pg**

**1: OLIVENCIA CODE RECOMMENDATIONS ..... 126**



## LIST OF ACRONYMS AND ABBREVIATIONS

WACC - Coste Medio Ponderado de Capital

TMA - Tasa Mínima de Atractividad

CNMV - Comisión Nacional del Mercado de Valores o Spanish supervisory stock exchange commission o National Supervisory Securities Exchange Commission o National Securities Market Commission

CGC - Corporate Governance Codes

CEO –Chief Executive Officer

GMM - Generalized Method of Moments

US – United States

UK – United Kingdom

OECD - Organization for Economic Cooperation and Development

INFE - International Network on Financial Education

AEB - Spanish Banking Association

CECA - Spanish Confederation of Savings Banks

UNACC - National Union of Credit Cooperatives

LOMCE - Organic Law of the improvement of educational quality

# CHAPTER I

## INTRODUCTION

### I.0. CONTEXTUALIZACIÓN

El siglo XX fue, para la economía de la empresa, el siglo del desarrollo de sus teorías fundamentales, incluida la teoría de la agencia, y de la concepción moderna de las corporaciones. Se empezó a analizar el valor de la información publicada por la empresa, la necesidad de su auditoría y del cumplimiento de la imagen fiel de los estados financieros publicados. Surgieron tímidamente las primeras expresiones de la necesidad de ofrecer valor para todos los stakeholders y apareció el término Responsabilidad social corporativa y los primeros códigos de buen gobierno con el Cadbury Report en Reino Unido.

El siglo XXI trajo consigo la explosión del gobierno corporativo, cuando se vio que las cautelas adoptadas en un primer momento no habían sido suficientes. Así se puso de manifiesto con los colapsos de grandes empresas que, a principio, se suponía que tenían una buena conducta empresarial. Se han producido cambios sustanciales que han modificado el comportamiento de la gran empresa y han abierto numerosas vías de investigación entre los investigadores y académicos. Un mayor control de la información publicada ha supuesto nuevos códigos de buen gobierno, nuevas regulaciones y el desarrollo de los sistemas de *compliance*. En un siglo en el que las *fake news* dominan los medios de comunicación y las redes sociales, el mundo empresarial ha dado sus mejores muestras de querer rendir cuentas ante la sociedad y que ese concepto de imagen fiel que dominó el siglo XX se vuelva poco a poco una realidad.

Esta tesis doctoral, escrita en dos fases temporales distintas, aborda en primer lugar esos cambios necesarios en el gobierno corporativo y su impacto sobre las decisiones empresariales (en concreto la estrategia empresarial). Pero en la segunda etapa de desarrollo, en plena pandemia por el COVID 19 y con nuevas exigencias sociales, esta tesis doctoral ha querido fijarse en una nueva situación de los años 20 de

nuestro siglo: cómo las exigencias que la sociedad y los gobiernos han impuesto a las empresas privadas han acabado por llegar también al sector público. Los ciudadanos también quieren que los gobiernos y sus empresas respondan ante la sociedad de sus actuaciones y ello ha dado lugar a que, estrechamente ligado a los conceptos de responsabilidad social, gobernanza y *compliance*, los gobiernos hayan aprobado las primeras leyes de evaluación de políticas públicas para demostrar a la sociedad que su gestión es correcta.

Pese que el diseño de sistemas de la gobernanza pública todavía se encuentra en desarrollo, lo cierto es que hay un gran esfuerzo de los distintos países en adecuar su legislación en dirección a un mejor gobierno de las empresas y, por otro lado, un gran esfuerzo de los Estados para mejorar la gobernanza pública.

Esta tesis doctoral cubre por tanto todo el círculo, que se abre con la aprobación de los primeros códigos de buen gobierno en España y se cierra con la aprobación de la primera ley de evaluación de políticas públicas en noviembre de 2022, de la que la propia directora de tesis fue ponente en el Parlamento español. Haber asistido a estos cambios en la concepción de la responsabilidad social y la correcta gobernanza de empresas privadas e instituciones públicas ha supuesto un importante aprendizaje, que esperamos saber transmitir en esta tesis doctoral.

Para ello seguiremos la siguiente estructura, optando por un formato de tres artículos en el que el primero aborda el impacto de las primeras recomendaciones de buen gobierno en España, el segundo el impacto de la estructura de propiedad, como mecanismo de buen gobierno, sobre la estrategia empresarial. Y el tercero, la evaluación de las políticas públicas de educación financiera nacidas en España, dentro del contexto de la OCDE, a partir de la crisis financiera de 2008. Tres crisis han marcado por tanto esta tesis y la evolución de la gobernanza empresarial y de la administración pública: la crisis de Enron y Parmalt en 2001, la crisis financiera de 2008 y la crisis covid del 2020.

La primera de estas crisis, y en el contexto de la Unión Europea, provocó el encargo del trabajo de Gotshal y Manges (2002) por parte de la Comisión Europea en 2001 y que pese haber concluido que no era necesario que la Unión Europea se dedicase a la elaboración de un código europeo de buen gobierno corporativo, dada la gran heterogeneidad de los países, sí que se notaba la necesidad de un liderazgo, a

través de directivas o recomendaciones, en relación a la legislación y prácticas de buen gobierno. Posteriormente, otra recomendación de la comisión aplicable a las empresas que cotizan en bolsa y relativa al papel de los administradores no ejecutivos o supervisores y al de los comités de consejos de administración o de supervisión fue publicado evidenciando el interés y la gran preocupación sobre el tema.

Sí es verdad que, aunque se observa una gran inquietud por la gobernanza empresarial, ésta se concentra más en aspectos referentes a los consejos de administración, la transparencia y los informes de auditoría dando, por lo tanto, prioridad solamente a aspectos relacionados a los datos financieros y en la prevención de informaciones imprecisas. Aspectos más relacionados con evidencias empíricas como los recogidos en nuestro capítulo III, en lo que se refiere, por ejemplo, a la diversificación a través de la ampliación de negocios por fusiones o adquisiciones todavía aún se percibe la necesidad de un mayor control. En ese sentido, los mecanismos de gobierno corporativo se caracterizan por determinadas medidas que buscan controlar los directivos de manera que estos actúen de acuerdo con los intereses de los accionistas cuando hay una separación de propiedad y control. De esta manera se busca evitar los problemas de agencia que suelen ocurrir en estas situaciones.

Entre los problemas de agencia advenidos de esta relación podemos destacar la búsqueda por el crecimiento en contrapartida a la maximización del valor empresarial, un sistema de remuneración que favorezca a los directivos, la financiación de regalías como coches y viajes, la ocupación de cargos de confianza por miembros de la familia de los directivos o la diversificación, entre otros.

Así, si bien el primer artículo de esta tesis se centra de manera general sobre el gobierno corporativo, el segundo artículo va a centrar en específico en esa cuestión planteada, o sea, la diversificación excesiva que no va al encuentro de los intereses de los accionistas y que puede a largo plazo llevar a la quiebra a una empresa, ya que distintas investigaciones apuntan a que una diversificación excesiva y mal administrada o el crecimiento excesivo por medio de adquisiciones llevan a pérdidas en el valor empresarial.

Según Silveira (2004) para que se comprenda la importancia del buen gobierno corporativo es necesario entender el posible impacto que éste tiene en las empresas.

El autor parte, para esto, de la idea básica de que dentro de un conjunto de empresas algunas se diferencian como empresas con un buen gobierno corporativo. Entre estas, las empresas que tengan un buen gobierno son más atractivas para los inversores, *ceteris paribus*, lo que contribuye a aumentar el número de recursos para dicha empresa. Como consecuencia de la mayor oferta de recursos, resultado del aumento de la demanda de los inversores por sus títulos, habría una disminución del coste de capital de estas empresas, sea este un coste de capital propio - acciones - o un coste de capital de terceros -"debêtures", bonos, préstamos de largo plazo - lo que ocasionaría un menor coste medio ponderado de capital (WACC). Como consecuencia inmediata de un menor WACC, habría un incremento en el valor de las empresas, ya que el valor de la empresa puede ser medido por la suma de los flujos de caja libre futuros traídos para el valor presente con una tasa de descuento medida por la WACC. Además del aumento del valor, la reducción del coste de capital disminuiría la tasa mínima de atractivo (TMA) de las empresas, posibilitando el emprendimiento de más proyectos y aumentando la rentabilidad de los proyectos existentes. Consecuentemente, la disminución de la TMA aumentaría la competitividad de la empresa.

Al mismo tiempo, otro tema que ha ganado grande importancia con el paso del tiempo dentro de ese enfoque es la importancia de un buen gobierno en la gobernanza pública. De esa manera, el tercer artículo de la presente tesis trata de observar la gestión de recursos y las políticas públicas, lo que representa un gran desafío para las instituciones públicas y el conjunto del Estado en el desempeño de sus funciones públicas. Afrontar los obstáculos de la gobernanza pública y buscar un crecimiento sostenible es un desafío para todos los países. Peters (2007) nos advierte que en administración pública, la gobernanza significa dirigir la economía y la sociedad hacia algunas metas colectivas que estarán concretamente explicitadas en las políticas públicas priorizadas por un determinado gobierno.

En ese sentido, observamos que, poco a poco, se fue dando énfasis a distintas etapas en el proceso de las políticas y hoy en día hay una amplia discusión en torno a la participación ciudadana y la gobernanza a partir de tres nociones básicas, tal como nos advierte Chac (2008): democracia, derechos y desarrollo. Así, avanzamos en esa cuestión y hoy ya no tenemos la atención sólo en la formulación, sino también en el

proceso político y, finalmente, en la rendición de cuentas, que será el tercero grande objeto de estudio de esta tesis.

### **I.1. EL BUEN GOBIERNO CORPORATIVO EN EL CONTEXTO ESPAÑOL**

En el mercado español es cierto que se pronto se percibió el interés por que el buen gobierno se estableciera en las empresas españolas. Parte del esfuerzo en este sentido se concentró en la elaboración de códigos de buena conducta que buscan la alineación de los intereses de los accionistas y directivos. Un primer paso en este sentido fue dado en 1998 con la publicación del código Olivencia. Se percibió, sin embargo, que aunque existente desde 1998, en el contexto español el CBG todavía no estaba siendo ampliamente cumplido, aunque se percibía una necesidad y obligación creciente para que esta realidad cambiase en un futuro próximo, dada la evidencia de que los inversores necesitaban tener confianza en el mercado y en las prácticas del gobierno corporativo por promover la responsabilidad y la transparencia. En este sentido, para el contexto español tenemos trabajos como lo de Del Brío, Maia-Ramires y Perote (2006) que sugieren una relación positiva entre el grado de cumplimiento del código del buen gobierno y el valor empresarial y el trabajo de Fernández Rodríguez, Gómez-Ansón y Cuervo-García (2004) que analizaron la reacción del mercado ante la entrega a la Comisión Nacional del Mercado de Valores (CNMV) por parte de empresas españolas del cuestionario sobre las buenas prácticas de gobierno explicitadas en el código Olivencia.

Dichas investigaciones se centraron en el código Olivencia y, sin duda, que fueron surgiendo nuevas necesidades. De esta manera, en septiembre de 2002 fue creada otra comisión que, buscando matizar el documento anterior, presentó en enero de 2003 un informe que ha originado el Código Aldama. El Informe Aldama a principio intentaba corregir uno de los déficit fundamental de su predecesor, y por eso su primera conclusión fue en la dirección apropiada: proponer que una norma obligue a las empresas a publicar un “Informe anual de gobierno corporativo”, con un contenido prefijado legalmente, para que la información sea homogénea y los inversores la puedan analizar con facilidad. Además la información debería ser complementada y puesta al día continuamente a través de la web de la sociedad. Como dice el Informe, se trata de introducir en nuestra práctica el principio anglosajón, y

fundamentalmente inglés, de “cumplir o explicar”: Y es en este punto donde surge el mayor problema del Informe Aldama: ¿cuáles son esos estándares, esas mejores prácticas de gobierno que deben servir de guía para informar? Pues aunque el Informe Aldama y el Informe Olivencia por sus orígenes y por su contenido son bastantes similares, e incluso comparten una misma filosofía, sí los separa una diferencia estructural importante: Aldama sólo tiene parte explicativa, y carece de un compendio de reglas explícitas equivalente al Código. De esta manera, tal como afirma Fernández-Armesto (2003), en el Informe Aldama la concreción presente en el primer código se difumina. No existe un catálogo claro de buenas prácticas, sino un extenso informe que analiza los diferentes temas y que en las áreas más importantes no pasa de recomendaciones muy genéricas. Pero no sólo es eso: el Informe Aldama incluso permite que los estándares de buen gobierno “sean los adoptados y publicados por cada sociedad” lo que nos revela un gran problema.

Según Salas Fumás (2003) este segundo documento perdió otra oportunidad para hacer un diagnóstico más preciso y justificar las recomendaciones habiendo, además, según este autor, contradicciones por parte de la comisión como, por ejemplo, cuando se pone a favor de la autorregulación y, al mismo tiempo, duda de la eficiencia del mercado.

También Fernández (2004) nos explica un poco los problemas de estos dos primeros códigos creados en España. Según él la ley prevé para las sociedades anónimas una estructura de pirámide invertida: en la cumbre estaría la junta general de accionistas, después el consejo de administración como órgano de supervisión y debajo el equipo directivo. Cuando no hay un accionista de dominio la pirámide no funciona eficientemente. El accionariado normalmente no interviene activamente y todo el peso recae sobre el consejo de administración. Por eso es muy importante que haya un consejo independiente y un presidente independiente de los directivos porque el presidente del órgano supervisor sea el primer supervisado. En eso ni el informe Olivencia ni el Aldama fueron suficientemente claros. Es más, según este autor, el informe Aldama utiliza unos argumentos claramente equivocados.

Ante los hechos anteriormente expuestos y teniendo en consideración todos los problemas que fueron identificados en los dos primeros códigos, en 2006 la CNMV publicó el “Código unificado de buen gobierno de las sociedades cotizadas”, lo cual

fue actualizado en 2013. En 2015, un nuevo documento el “Código de buen gobierno de las sociedades cotizadas” fue divulgado y en 2020 fue publicado un último documento. Pese que todos esos se constituyeron en un significativo avance en materia de Buen Gobierno en España, lo cierto es que el mercado español todavía es caracterizado por una alta concentración de propiedad y baja protección al accionista minoritario y que estudios previos han puesto en duda la efectividad de los códigos de gobierno corporativo en los países de Europa continental. Así, a partir de un país de Europa continental con un código de orientación anglosajona, como es España, se ha planteado analizar los efectos de las recomendaciones propuestas en el código de buen gobierno corporativo español coetáneo al inicio de esta tesis doctoral sobre el valor de la empresa. Mediante el uso de la estimación de datos de panel, se analiza el impacto en el valor de la empresa de algunas variables relacionadas con el gobierno corporativo, como la calidad de los informes de auditoría, la magnitud de la remuneración de los directores, la información sobre dicha remuneración o el tamaño de la empresa.

## **I.2 LA DIVERSIFICACIÓN EMPRESARIAL Y SU RELACIÓN CON LAS ESTRUCTURAS DE PROPIEDAD Y DE CAPITAL DE LA EMPRESA**

Desde el trabajo de Rumelt (1974), la discusión sobre los efectos de la estrategia empresariales, se centró primeramente en el ámbito de la diversificación de productos y, posteriormente, se extendieron al estudio de otras estrategias, tales como la innovación y la internacionalización, lo que nos advierte de la importancia que cobró la estrategia de diversificación en las organizaciones corporativas. Cuando hablamos de diversificación podemos adoptar distintas corrientes, como la Economía Industrial, la Teoría de los Recursos, la Economía de las Organizaciones o la Teoría de los Costes de Transacción, entre otros. En este sentido, en nuestro trabajo cobra relativa importancia la teoría de los costes de transacción, que preconizan que elevados niveles de diversidad incrementan los costes de organización de la empresa (Williamson, 1985). De hecho, Hitt, Hoskisson y Kim (1997) afirman que estos costes de transacción generados por la coordinación de diferentes unidades de negocio pueden ser superiores a los beneficios de la sinergia derivado de los recursos compartidos, lo que nos hace plantear una posible situación de conflicto entre agentes y principales, ya



que los directivos pueden tomar decisiones que busquen el crecimiento de la empresa, aunque éste lleve a una pérdida de valor empresarial.

Cabe destacar, además, que el debate de las estrategias de diversificación en lo que se refiere al paradigma de las empresas basado en los parámetros estructura - estrategia - resultados, aunque bastante desarrollado en el área de las organizaciones empresariales, todavía tiene en su parte financiera un amplio margen de estudio. Cuando describimos la estructura de una empresa podemos profundizar en muchos aspectos tanto en lo que se refiere a la propiedad como lo que se refiere al capital que, juntamente con el riesgo, influirán en la adopción de determinadas estrategias en las organizaciones corporativas.

Sabemos que las corporaciones modernas han sufrido muchos cambios en su estructura accionarial, ya que la separación entre propiedad y control es cada vez más evidente y lleva a nuevos planteamientos en lo que se refiere a sus decisiones de financiación y adopción de estrategias. La teoría y evidencia empírica de distintas investigaciones nos revelan que la relación entre accionistas y directivos acarrearán conflictos que vienen siendo ampliamente debatidos y llevan a nuevas propuestas de administración y mayor control de la corporación.

A través de las investigaciones que analizan el comportamiento de los propietarios-directivos de la empresa en la administración de sus negocios se evidencia que éstos tienden a adoptar estructuras de capital que no llevan a la pérdida del control accionarial de la empresa, bien como que ésta no se vea amenazada por la toma de control o, aún, por el riesgo de bancarrota (Stulz, 1988, Harris y Raviv, 1988). Se puede decir, por lo tanto, que la estructura de capital de la empresa se ve influenciada por el control accionarial de una determinada empresa y por sus directivos, que al buscar la financiación de sus empresas actúan de acuerdo con la teoría del *pecking order* buscando mantener el control accionario. Myers y Majluf (1984), a través de la teoría de *pecking order*, explican que para la financiación de la empresa los directivos, primeramente, prefieren disponer de los fondos internos y, sólo si es necesario, recurrir a los fondos externos, siendo primeramente preferido el endeudamiento y, sólo en última instancia, la emisión de acciones.

En contrapartida, en las empresas que poseen una estructura de propiedad dispersa los directivos tienden a estructurar la financiación de distinta manera y a

tener niveles de endeudamiento con mayor riesgo. Así, podremos decir que cuando tenemos una alta concentración de la propiedad en determinada empresa y que estos propietarios son los directivos de ésta, se evidencia una aversión al riesgo mientras que en el caso contrario surge el problema del *free riding*. En este caso, los directivos podrán encontrarse en una situación de atrincheramiento, lo que llevará a que estos adopten las decisiones - tanto de financiación como de inversión y nivel de riesgo - en favor de sus propios intereses y en detrimento de los accionistas minoritarios y acreedores.

Tenemos, por lo tanto, que uno de los problemas claves de la cuestión de la separación de la propiedad y control, donde el agente se ve más interesado en el crecimiento de la empresa mientras que el principal en la maximización del valor empresarial, podría ser solucionado si partimos de la idea de que la diversificación es tanto una estrategia de crecimiento como de maximización del valor empresarial. Es necesario, entretanto, considerar que para el análisis de este problema de adopción de una determinada estrategia, una complicación habitual tiene relación con las decisiones de financiación de la empresa. En este sentido, una cuestión todavía pendiente de resolver en el campo de la Economía Financiera se refiere, desde la publicación de Modigliani y Miller (1958), es la estructura de capital de las empresas (Menéndez, 2001). La literatura sobre este tema todavía es bastante divergente y desde el enfoque de la teoría de la agencia (Jensen y Meckling, 1976) podremos encontrar diversos aspectos a considerar. Muchas han sido las investigaciones sobre qué factores condicionan la decisión de financiación de las empresas, aunque todavía éstas no son conclusivas.

Para abordar la relación entre la estructura de capital y la diversificación existen distintos enfoques. Según el enfoque clásico que relaciona estructura de capital con diversificación, esta consiste en una reducción del nivel de riesgo ya que sus actividades varias hacen que, en el momento de la definición de la estructura de capital, los acreedores sean más capaces de invertir en la empresa. A esto se denomina el efecto "coaseguro" y es más evidente en las empresas con diversificación no relacionada. Según la teoría de los costes de transacción, ya mencionada anteriormente, la elección de la mejor estructura de capital para la empresa dependerá del grado de especificidad de los activos.

Por otro lado, desde el enfoque de la teoría de la Agencia, la deuda constituye un mecanismo capaz de controlar el comportamiento del directivo. Ya Berger, Ofek y Yermack (1997) añadieron en su trabajo otro mecanismo de control, a saber, la remuneración directiva, exponiendo como ésta puede influir en la estructura directiva y en la estructura de financiación. En realidad, la teoría de la Agencia concibe la empresa como un nexo de relaciones contractuales entre distintos agentes económicos, cuyo análisis resulta relevante para la determinación de la estructura de capital de las empresas. En particular, esta teoría centra su estudio principalmente en las relaciones accionistas-directivos y accionistas-acreedores, como potenciales condicionantes de las decisiones de financiación de las empresas.

Sin embargo, la complejidad que envuelven dichos aspectos es bastante mayor de lo que a principio se pueda pensar. Tal como hemos comentado, en general los directivos tienden a adoptar estrategias como la diversificación, no dando prioridad al interés de mayor ganancia al accionista sino pensando en reducir el riesgo, así como en la posibilidad de mayores ventajas privadas que puedan gozar cuando administran empresas mayores (Stulz, 1990). Además, un problema específico que se refiere a estrategia de diversificación es que dicha estrategia hace indispensable el directivo para la empresa (Shleifer y Vishny, 1989), lo que constituye un factor motivador para su adopción.

En el trabajo de Delgado y San Jose (2001) se evidencia la importancia de futuras líneas de investigación que incorporen mecanismos válidos de mediación del conflicto de agencia planteado e incluso dar cabida a nuevos entornos que combinasen la teoría de la agencia con la dirección corporativa (Lane, Canella y Lubatkin, 1998), en un intento de tratar de integrar ambos enfoques en uno mejor, lo que nos ha motivado y llevado a realizar el trabajo que se expone en el segundo artículo.

Así, el trabajo presentado en el capítulo III tratará de examinar las influencias de la concentración de la propiedad y la propiedad interna en las estrategias corporativas para la diversificación en un escenario caracterizado por una pobre protección de los intereses de los accionistas y con una alta probabilidad de fenómenos tanto de expropiación como de atrincheramiento, respectivamente. Adicionalmente, se busca observar los mecanismos de control, tales como la deuda, la remuneración de los directores y el cumplimiento de los códigos de buenas prácticas,

con el fin de confirmar la relevancia teórica de la teoría de la agencia para explicar las actitudes gerenciales hacia la estrategia corporativa, en específico la diversificación.

### **I.3. RENDICIÓN DE CUENTAS Y EL PROCESO DE POLÍTICAS PÚBLICAS**

Ante un amplio cuestionamiento de la legitimidad de las acciones del Estado, la literatura nos trae evidencias de que desde principios del siglo XXI las experiencias de gobierno corporativo fueron trasladadas también al sector público. Es cierto que tanto para el sector privado como para el público, la separación entre propiedad y gestión han sido responsables de distintas manifestaciones de los problemas de agencia, con distintas responsabilidades y poderes, sea en la gestión de empresas sea en la ejecución de las políticas públicas, tal como nos ha advertido Matias-Pereira (2010). Así, aunque originalmente se hubiera pensado para las organizaciones privadas, con los años se notó el deseo de la comunidad de que las prácticas de gobierno corporativo también pudieran aplicarse a organizaciones públicas (De Benedicto, Rodrigues, & Abbud, 2008; Thomas, 2012).

Desde la perspectiva de Conejero (2013) el concepto de gobernanza en el sector público se entiende como un modelo cuyo objetivo es acercar los ciudadanos a las instituciones, considerando que, además de tener un compromiso con los principios básicos de la gobernanza, también tiene un compromiso con la legalidad y la legitimidad (Mello, 2006). En efecto, en la gestión pública, es necesaria la rendición de cuentas a la sociedad, manteniendo una relación entre administración, control y supervisión, y asegurando que las políticas públicas sean hechas de manera eficiente y eficaz (Gibson, Lacy y Dougherty, 2005; Correio e De Oliveira Correio, 2019). Así, es fundamental que la gobernanza pase por políticas públicas que sean adecuadamente realizadas y que la rendición de cuentas sea realizada de manera que permita que los ciudadanos tengan acceso a toda la información que les sea útil para el buen conocimiento de la gestión desarrollada.

En ese sentido, Calmon e Costa (2013) nos advierte que es interesante observar la idea de que las políticas públicas se formulan, implementan y evalúan a partir de una red de actores y que conocer cada uno de esos momentos es esencial para que consiga realizar una buena rendición de cuentas. Varios mecanismos existen para que se tenga una participación ciudadana y un compromiso eficiente y eficaz para obtener

los mayores beneficios para la sociedad, tal como es la rendición de cuentas (Campoverde-Layana e Pincay-Sancán, 2018; Bovens, Schillemans y Hart, 2008).

Los ciudadanos de países democráticos tienen hoy en día el derecho a imponer, entre otras cosas, la integridad, la transparencia y la rendición de cuentas a los funcionarios del gobierno, así como a participar directamente en la elección de políticas públicas a implementar (Correio y De Oliveira Correio, 2019). Se refuerza, pues, la necesidad del entendimiento del proceso de políticas públicas que, unido a la noción de rendición de cuentas – que se ha instalado como un aspecto central del buen gobierno y que, al mismo tiempo, es un concepto que se expresa como uno de los valores centrales de la democracia – hará que el gobierno se someta a una multiplicidad de controles a fin de asegurar el manejo responsable de los asuntos públicos (Peruzzotti, 2007). Peruzzotti de hecho nos advierte que el concepto de rendición de cuentas se refiere a la posibilidad de obligar a los funcionarios públicos a que informen y justifiquen sus decisiones, por un lado, y que puedan, por otro lado, ser eventualmente sancionados por sus acciones. Efectivamente, la rendición de cuentas es una de las exigencias fundamentales dentro de los parámetros generales del buen gobierno y de la transparencia (Fernández Llera, 2020, p.29; Hill y Hupe, 2006).

En la búsqueda de una completa rendición de cuentas es necesario imbuir con esa cultura a todos los gestores públicos – que desarrollan las políticas públicas - así como a órganos e instituciones de control. La realidad es que el líder público responde de forma obligatoria a sus políticas públicas planteadas. Campoverde-Layana y Pincay-Sancán (2019) resalta que el modelo conocido como “rendición de cuentas vertical” va de la mano con el componente electoral y participación ciudadana en un enfoque ascendente. Por otra parte, la rendición de cuentas se refiere a la prevención de actividades ilegales o corruptas, lo que significa responsabilizar a los funcionarios por sus actos. Es decir, además del manejo honesto de los fondos públicos, también se debe ser responsable por el cumplimiento de metas y adecuación de las políticas a las necesidades de la población (Samuel, 1991 *apud* Franciskovic, 2013).

En el marco de la ciencia política y de la administración adoptado en el trabajo Hernández (2009) - y que también vamos a tomar como referencia - la rendición de cuentas se ha formulado, tradicionalmente, a partir de la concepción liberal-

democrática de la *accountability*, que no es nada más que la responsabilidad de los gestores públicos ante de los ciudadanos. A partir de esa concepción, hay dos principios político-normativos: la *answerability* – que es la legitimidad y capacidad de dar respuesta de los gobiernos para la población, o sea, informar y explicar – y el *enforcement* – que nada más es que imponer sanciones si hay un uso indebido de la responsabilidad, llevando incluso a pérdida de poder a quienes infringieron los deberes público. Así, al tratar la rendición de cuentas con esa definición estamos evocando directamente la teoría de la agencia, estudiada ya en el primero y segundo artículo de esa tesis pero, en su momento, con el foco en la gobernanza corporativa.

No debemos perder de vista que todo ese marco teórico se desarrolla a partir de la noción de políticas públicas que, por su vez, es una noción totalmente normativa tal como Duran (1996) afirma, siendo esas un conjunto de cosas que interpretamos como políticas públicas. Será el examen de tipologías como el proceso de establecimiento de las políticas públicas es que podrá lograr arrojar luz a algunas de las dificultades para desarrollar la rendición de cuentas desde la perspectiva de la eficacia. En ese sentido, Paz (2014) ha propuesto un enfoque en rendimiento, evaluación y rendición de cuentas para medir el valor público y para potenciar la legitimidad de las administraciones públicas en España.

De esa manera, nótese que la rendición de cuentas - parte sustancial del proceso democrático- es la obligación de informar y explicar lo que se ha avanzado en determinada gestión en la garantía de los derechos de ciudadanos y cuáles fueron, por lo tanto, los resultados de las políticas públicas construidas a partir del diálogo social. La importancia del capítulo IV de la presente tesis es debido a que la confianza de los ciudadanos hacia el sistema de políticas públicas – que no se obtiene si no cumplimos con las etapas del proceso de políticas públicas, entendiendo y ejecutando cada una de las etapas de manera detenida - es uno de los principales objetivos de la rendición de cuentas, a partir de los dos elementos básicos, como son la información y el diálogo social.

Así, el enfoque que plantea el trabajo presentado en el capítulo IV es establecer una definición de la rendición de cuentas a partir de una discusión con los conceptos de las políticas públicas, tal como ha conceptualizado Hernández (2009). Específicamente, el capítulo IV tratará de explicar el proceso de las políticas públicas

entendiendo que la rendición de cuentas puede considerarse como un sistema que permite el desarrollo de la transparencia, la participación, la evaluación y el control en la vida social y política de la administración. Además, la rendición de cuentas podrá impactar en la democracia y en las políticas públicas a medida que tengan más convergencia entre política y gestión. Para ello presentamos y discutimos aspectos conceptuales y metodológicos de las etapas del proceso de políticas públicas, cuales sean, (1) Identificación y definición del problema; (2) Configuración y formación de horarios; (3) Formulación de alternativas de política a través de programas, planes y acciones con diferentes alternativas; (4) implementación y aplicación de políticas; y (5) Evaluación.

#### **I.4. OBJETIVOS Y ESTRUCTURA DEL TRABAJO**

Esta investigación tiene por objetivo hacer un análisis integrado entre el gobierno corporativo, la estructura de propiedad, la estructura de capital y la diversificación empresarial desde una perspectiva de la teoría de la agencia, además de la gobernanza pública. Partimos, por lo tanto, de conceptos que fueron en un momento de enorme importancia para entidades privadas hasta llegar a la aplicación de estos conceptos a la gobernanza pública.

Así, desde diferentes perspectivas se buscará analizar la adopción de determinadas decisiones de financiación y estrategias empresariales. Con base a ello, la presente investigación trata de buscar tanto una evidencia empírica para el gobierno corporativo como para la relación entre las estructuras de propiedad y estructura de capital y su relación con la diversificación, además de buscar aportar un referencia bibliográfica sobre gobernanza pública, en específico tratando sobre rendición de cuentas, control y el proceso de políticas públicas.

Así, como principal objetivo, el presente trabajo intentará profundizar en el concepto de la gobernanza. Así mismo, la presente investigación propuesta buscará atingir los siguientes objetivos específicos:

1. Observar la gobernanza corporativa en el contexto español;
2. Aportar evidencia empírica de cómo la estructura de propiedad de una empresa - desde sus dos puntos de enfoque, concentración de propiedad y propiedad directiva - puede influir en el momento de adoptar una decisión

estratégica que puede tanto ir en dirección a la maximización del valor empresarial, como también conducir a la pérdida del valor empresarial en contrapartida a los beneficios para los accionistas de la organización corporativa;

3. Ofrecer un instrumento capaz de identificar los principales factores que influyen el directivo en el momento de adoptar la estrategia de diversificación en la empresa, bien como sus decisiones a cerca de la financiación en la implantación de dichas estrategias;
4. Obtener evidencia empírica de la relación existente entre la diversificación empresarial y mecanismos de controle corporativo;
5. Observar la gobernanza pública y su relación en las políticas públicas, en específico el mecanismo de la rendición de cuentas y los aspectos conceptuales y metodológicos de las etapas del proceso de políticas públicas.

Se buscará en la parte empírica la interrelación entre las distintas variables que determinan la adopción de estrategias y el consecuente nivel óptimo de estructura de capital y estructura de propiedad capaces de equilibrar los intereses de los directivos y propietarios de determinada empresa y traer los beneficios esperados para la empresa.

Ya en la parte teórica abordada en en capítulo IV trataremos de observar la complejidad de las decisiones en la adopción de las políticas públicas a partir del enfoque de la rendición de cuentas, buscando observar distintos momentos en ese proceso, cuales sean, (1) Identificación y definición del problema; (2) Configuración y formación de horarios; (3) Formulación de alternativas de política a través de programas, planes y acciones con diferentes alternativas; (4) implementación y aplicación de políticas; y (5) Evaluación.

Para la realización del presente trabajo se hará, inicialmente y al inicio de cada artículo, una revisión de la literatura sobre el tema a ser investigado buscando, pues, conocer en profundidad el estado de arte del tema. Se procederá, enseguida y en específico en los artículos objetos de los capítulos II e III, al planteamiento de las hipótesis, que estarán en relación con el debate de si la diversificación de sectores,



influenciados por un conjunto de factores tales como los que abordamos anteriormente, tienen distintas maneras de impactar en el valor empresarial.

Proseguiré en esta etapa la definición de la muestra y al planteamiento de un modelo cuyo valor empresarial estará determinado, entre otros factores, por la relación con el grado de diversificación empresarial, las estructuras de propiedad y capital de una empresa, y el riesgo de la toma de determinadas decisiones, teniendo en consideración las hipótesis propuestas. A través de ese análisis se buscará, por lo tanto, encontrar las influencias de distintos factores en el mejor desempeño de las empresas. La investigación utilizará para la contrastación de los modelos la base de datos de DataStream y Compustad.

Así mismo, se va a examinar la fiabilidad de algunos modelos propuestos. Para ello se recurrirá a distintas metodologías, entre las cuales podremos destacar clúster, discriminante y modelos de regresión. Así, serán realizados los análisis clúster correspondientes para la identificación y aglutinación de distintos grados de diversificación. También se utilizará la metodología de análisis discriminante, que buscará diferenciar entre, por ejemplo, las empresas de diversificación relacionada de aquellas de diversificación no relacionada.

Además, se empleará para los modelos de regresión la técnica de datos de panel. La ventaja de la utilización de este modelo es que la perturbación es una variable aleatoria que, bajo el supuesto de que existen efectos o características inobservables ( $\eta_i$ ) que influyen de manera diferente en las distintas observaciones, nos permitirá controlar la heterogeneidad inobservable, y lo que nos ha motivado, por lo tanto, la elección de dicha técnica para la presente investigación. De acuerdo con dicha herramienta econométrica, el análisis de la influencia de las características individuales de las empresas en el comportamiento conjunto del modelo se puede realizar desde diversas perspectivas, siendo los modelos de efectos fijos y los modelos de efectos aleatorios los más empleados en la literatura. Para la realización de la contrastación empírica con dichas técnicas serán utilizados los paquetes estadísticos SPSS y STATA, que servirán para analizar los datos y obtener resultados en relación a los objetivos propuestos.

En seguida buscaremos analizar la gobernanza pública centrándonos en un aspecto que juzgamos importante en las políticas públicas: la rendición de cuentas.

Para ello, recogemos los datos disponibles de un informe de rendición de cuentas para una política pública específica del gobierno español: la educación financiera. Utilizando la metodología de análisis documental estaremos analizando el contenido de un conjunto de informes de rendición de cuentas, en específico de tres políticas públicas llevadas a cabo en España sobre educación financiera, como son: el Plan de Educación Financiera 2008-2012, el Plan de Educación Financiera 2013-2017 y el Plan de Educación Financiera 2018-2021. Para el análisis de contenido utilizamos técnicas de análisis como frecuencia de palabras, gráficos, árboles de palabras, análisis de conglomerados y nubes a fin de obtener resultados sistemáticos para la producción de inferencias cualitativas acerca del tema y contestar a la pregunta de esa parte de la investigación que consiste en entender cómo están estructurados los informes de rendición de cuentas de los planes nacionales de educación financiera en España.

En una segunda etapa del capítulo IV se buscará además explotar el material y codificar los datos; uno de los mayores desafíos al utilizar la metodología propuesta. En ese sentido, uno de los mayores esfuerzos fue observar las dimensiones a ser utilizadas para la categorización y codificación y que, para tanto, utilizamos básicamente las dimensiones propuestas por Schedler (1999): la informativa, la explicativa y la *enforcement*, además de haber adicionado la dimensión ontológica y la mixta. Vale finalmente resaltar que la presente investigación se encarga de hacer de manera meticulosa la categorización en los tres informes de rendición de cuentas analizados.

Al final de la tesis, estaremos recogiendo los aspectos más importantes de cada capítulo que compone este trabajo y buscando detallar las principales aportaciones del mismo en una discusión final que será seguida de las conclusiones pertinentes al tema que estarán contribuyendo para que podamos defender la tesis de que *los agentes – sean de las organizaciones corporativas, sean de las entidades gubernamentales – tienen al final los derechos de control y al adoptar distintas estrategias –tal como es la diversificación en las empresas privadas o distintas políticas públicas en el Estado –, buscan modelar las financiaciones de acuerdo con sus intereses. En contrapartida, a través de un sistema de incentivos a la dirección o, bien, a través de mecanismos de control, se puede tratar de alinear los comportamientos en el momento de definir las estrategia, sean ellas empresariales o sean políticas públicas, estrategias éstas que son,*

*a su vez, influenciadas por el riesgo al que estén dispuestos a asumir los distintos agentes de la organización corporativa o, bien, los distintos agentes del Estado.*

## **CHAPTER II**

# **CORPORATE GOVERNANCE MECHANISMS AND THEIR IMPACT ON FIRM VALUE.**

### **II.1. INTRODUCTION**

There seems to be a large consensus among both academics and professionals to demand from public firms new efforts to improve their corporate governance practices. The collapses of Enron, Parmalat, Royal Ahold and Polly Peck made it clear that firms should undergo further modifications to protect their shareholders' interests, to increase the firm's transparency and to guarantee shareholders' reliance on directors' management. Among the proposed modifications, Matos and Coelho (2003) highlight new patterns of ownership structure and portfolio diversification, improvement in the flexibility of adaptation to global markets and an increase in institutional investment in international markets as well as the investments on new technologies which enable a faster dissemination of innovation.

In this scenario, Mallin, Mullineux and Wihlborg (2005) consider that only through codes of good practice is it possible to increase confidence in managers, which, in conjunction with a favourable economic panorama, creates a very attractive atmosphere for shareholders. Actually, some of the aforementioned modifications are contained in the spirit of most of the corporate governance codes (hereafter, CGC) which are to encourage public firms to provide more information on the ethics of the business and the transparency of the management.

In fact, previous research has focus on the analysis of whether the fulfilment of the CGC recommendations effectively enhances both shareholder value and social utility, finding in most cases positive results. However, since the CGC are mostly Anglo-Saxon orientated codes, they are not always suitable for Continental-European firms, which is something that has cast doubts on the effectiveness of the application of CGC in several European countries. Furthermore, the fact that the application of CGC is voluntary has not helped to improve good governance practices in many countries.

The current paper makes some progress in this field, by investigating how the CGC recommendations and several firm characteristics related to corporate governance affect a firm's value. For this purpose, we chose a Continental-European country with an Anglo-Saxon orientated CGC, such as Spain, and analyse which of the recommendations proposed in the Spanish CGC, the Olivencia Code, have positive effects on the value of the firm.

For this purpose, we use the panel data methodology to measure the relationship between a firm's value (as measured by the Tobin's q ratio) and the degree of compliance with the 23 Olivencia Code recommendations as well as other corporate governance related variables. To proxy the degree of compliance with the Olivencia Code, we analyse the good governance reports submitted by Spanish firms to the Spanish supervisory stock exchange commission (CNMV) from 1999 to 2001. Furthermore, we provide new empirical evidence for a European stock market where the existing literature is still scarce.

The results suggest a positive relation between the variables of execution of good corporate governance practices and the value of the company. There is also evidence that the more transparent the company is and the more favourable audit reports they obtain, the better the managerial performance and the firm's value. Among the recommendations, it is found that the most relevant aspects are that the information is verified by the Audit Committee before release, and higher quality information is reported, such as information on transactions with own shares, shareholders structure and avoid the use of private information by directors. It is also important for corporate governance matters that the secretary of the board is given more independence and that the roles of chairman and CEO are not undertaken by the same person. Despite its Anglo-Saxon orientation, some of the Olivencia Code recommendations are surely improving a firm's value, reason why their application should be encouraged within Spanish firms. We also support previous authors which demand corporate governance codes to be compulsory, rather than voluntary. This paper goes further than previous studies which focus on the market reaction to the announcement of compliance. In fact, we conclude that it is the degree of compliance, rather than the mere reporting of whether firms comply or not with them, which increases firm's value.

The current paper is structured as follows. Section 2 presents the state of the art, focusing specifically on the Spanish context. Section 3 describes the data and methodology and Section 4 empirically analyses the suitability of the Olivencia code for Spanish firms while Section 5 presents the model estimation which results are shown in Section 6. Finally, Section 7 concludes.

## **II.2. REVIEW OF PREVIOUS RESEARCH.**

Since Berle and Means (1932), Jensen and Meckling (1976) and Jensen (1993) brought to light the problem of separation between ownership and control as well as the need of creating control mechanisms, the efforts to understand and solve this problem have been constant. First, by using every control mechanism, either external or internal, and more recently by using CGC as a way of supervising and enhancing managerial behaviour. This was, in fact, the purpose of the Cadbury Report issued in 1992 which highlighted the need for reducing managers discretionality and for turning back to those times and firm structures where the protection of the shareholders was assured. The Cadbury Report represented the first CGC, and from this pioneer experience, many other initiatives followed: France, Holland, Germany, Australia, Belgium, Canada, Portugal, Brazil and the United States are examples of countries that already possess corporate governance codes for listed companies. Most codes were intended to enforce auditors' and analysts' independence, as well as to control both corporate officers and institutional investors behaviour so as to protect minority shareholders. Furthermore, they worked on the improvement of transparency, focusing on aspects such as directors' remuneration and protection against takeovers, thus increasing the confidence of shareholders in the managerial group.

The first attempt to produce a CGC in Spain generated the Olivencia code, issued in February 1998 as an initiative of the CNMV (National Supervisory Securities Exchange Commission). It basically contained 23 recommendations ranging from the regulation of the board structure to the behaviour of their members, which tried to ensure the shareholders' confidence in the firm's management and its transparency. An English version of these recommendations is shown in Appendix 1, which is also available in the CNMV website. However, the lack of enforcement of the code as well as some weaknesses detected by practitioners in its redaction provoked the creation in

September 2002 of a new commission. As a result, a tighter report, the Aldama Code (the current Spanish CGC), was released after January 2003. Seven years have passed since February 1998 and yet neither CGC seems to be broadly fulfilled by Spanish firms. The CNMV itself and its former presidents have remarked that only about 21% of firms fulfil this requirement. Therefore, new voices have arisen demanding the use of CGC as a way of promoting responsibility and transparency in corporate governance. Otherwise, it would be difficult to ensure investors' confidence in the stock markets.

Apart from the efforts on the regulation side, during the last decades new attempts have been made worldwide to define proper corporate governance mechanisms whose effects would noticeably affect firms' value. To better identify these mechanisms, many authors have analysed the effects on a firm's value of a long list of factors related to control/agency factors, and managerial behaviour. Among these studies we perceive a great diversity in the way the relationships are analysed, since research into corporate governance has identified a variety of mechanisms that assure that managers act in the shareholders' best interest. Among those mechanisms, the traditional distinction between internal and external mechanisms applies. As internal mechanisms we may quote ownership concentration and managers' ownership (Chaganti and Damanpour, 1991; Barnhart and Rosenstein, 1998; Dahya, Lonie and Power, 1998), board composition (Bhagat and Black, 2002; Evans, Evans and Loh, 2002; Matos and Coelho, 2003), executive remuneration (Mehran, 1995 and Evans, Evans and Loh, 2002). Among the external ones, we may highlight the level of debt financing (Kim and Stulz, 1988; Safieddine and Titman, 1999; González, 1997) and dividend distribution (Jensen, 1986).

According to Evans, Evans and Loh (2002), although corporate governance has for years been considered an important aspect of corporate control, it has only been in recent years that the study has focused on organizational structures and their management (Drobetz, Schillhofer and Zimmermann, 2003; Lehmann and Weigand, 2000; Fernández, Gómez-Ansón and Cuervo, 2004). In this sense, Shleifer and Vishny (1997) and Johnson, Boone, Breach and Friedman (2000) focus on the protection of minority shareholder, and Chaganti and Damanpour (1991) and Barnhart, Marr and Rosenstein (1994) analyse the increasing participation of institutional shareholders (who are able to protect their rights more efficiently than individual shareholders). In

fact, the demands for good corporate governance practices are increasing as new aspects of the organization of the firm become more relevant: capital sustainability, corporate social responsibility, increase in manpower skill and high technology (Rodríguez, 2003).

Regarding the different mechanisms proposed, since Vance's (1964) embryonic paper, the composition of the board of directors seems to positively affect firm's results when the proportion of internal directors is high. In fact, Klein (1998) provides evidence on the positive relationship between a firm's value and the representation of internal directors on the investment committee, while in his paper of 2000, he detects a significant negative correlation between a firm's value and the proportion of independent directors. As to external directors, Rosenstein and Wyatt (1990) confirm the hypothesis that external directors are chosen according to the shareholders' best interests. In turn, Baysinger and Butler (1985), Hermalin and Weisbach (1991) do not find any significant relationship between the composition of the board of directors and several measures of corporate governance. And, finally, Agrawal and Knoeber (1996) find a negative correlation between the proportion of external directors and the value of the company, measured by Tobin's q.

According to Mayer (1992) or Dahya, Lonie and Power (1998), it is the localization of the control rights rather than ownership concentration which determines the degree of intervention exercised by a firm's owners. In fact, Pound (1995) describes some of the situations discouraging small shareholders from exercising their rights, enabling managers to persist in their mistakes and negatively affect the firm's value. Therefore, many of the abovementioned studies have attempted to identify where the effective control is located, trying, as we do, to clarify how all these variables affect a firm's value.

The variety of papers increases when analysing corporate governance mechanisms around the world. In this study we have selected Spain, but many other places, apart from the USA and the UK, have also been analysed such as Australia (Evans, Evans and Loh, 2002), Germany (Lehann and Weigand, 2000) and some emerging markets (Gibson, 2003). For the Spanish case, we should first consider which mechanism is a priori deemed the most efficient. For instance, prior to Enron's collapse and the re-birthing of corporate governance codes, Shleifer and Vishny (1997)



stated that German, Japanese and US firms would rather have bank control and institutional investors than artificial mechanisms, combining the presence of institutional investors with a regulatory system that better protects shareholders' rights. Continental European had not yet developed a proper corporate governance system, although they were mainly based on internal mechanisms such as ownership concentration, which are less effective since they lack the necessary legal protection.

As stated above, another important topic to be discussed in the current papers is the need to determine which is the most appropriate CGC for Spanish firms. Although there is a lack of empirical studies providing conclusive results so far, however, there is a long list of descriptive studies that have analysed different aspects of corporate governance. Navarro-Rubio (1998) analyses different corporate governance systems (distinguishing between a market based system and an internal mechanisms based system) and the factors that motivate higher requirements of effective control, while Fernández and Gómez-Ansón (1999) analyse the differences between internal and external corporate governance systems. Also Recalde (2003) focuses on the differences detected between the Anglo-Saxon pattern and that required by Spanish firms. He concludes that the corporate governance requirements for European public firms should be completely different from those of the US, and that the model of CGC should be adapted to each country's specifications. However, there is a constant in every code, regardless of other differences among countries, since the control mechanisms used in the majority of the countries are the same. Fernández, Gomez-Ansón and Fernández (1998) focus on these common aspects, analysing the influence on a firm's value of the composition and size of the board of directors, and the directors' ownership participation.

Other aspects of corporate governance which have been also analysed for the Spanish context are the role of directors' remuneration (Ortín and Salas, 1997), ownership structure (Galve and Salas, 1993; Galve and Salas, 1996), and the positive aspects of the improvement in transparency and the fulfilling of good governance practices in Spanish firms (Olcese, Gascó, Martínez-Pardo, Bonet and Gómez-Ansón, 2004). However, as mentioned above, not many Spanish firms comply with these practices. Nevertheless, Fernández, Gómez-Ansón and Cuervo (2004) detected a positive market reaction to firms' announcements of their compliance with the

Olivencia code when they involve a re-structuring of the board of directors. Fernández y Gómez-Ansón (2003) are working in the construction of a ratio of good corporate performance which also include the compliance with the Olivencia code, but non conclusive results have been obtained so far.

### **II.3. DATA AND METHODOLOGY**

The main objective of this paper is to explain how firm's value is affected by a group of variables which capture the effect of good governance practices in the Spanish company nowadays. However, the paper goes further in the study of the effects of the Olivencia code and its suitability for monitoring Spanish firms, in the light of previous criticisms based on the fact that corporate governance requirements for Continental European public firms are extremely different from those of the Anglo-Saxon countries.

In this sense, we first analysed the recommendations contained in the Olivencia code, which has been classified as an Anglo-Saxon oriented code, and determine which of its 22 recommendations are more useful or more suitable to help Spanish firms' shareholders to protect their interests and therefore improve corporate governance. Data on compliance with the Olivencia code<sup>1</sup> by all Spanish firms quoting in the Spanish Continuous Market were obtained from the CNMV, which from 1999 to 2001 sent a questionnaire to all Spanish quoted firms demanding information of their compliance with each of the 23 recommendations contained in the Olivencia code. The answers to this questionnaire were obtained from the CNMV website. The number of firms answering the questionnaire, however, was not high. In fact, for the 3 years only 191 questionnaires were obtained: 64 firms answered the questionnaire in 1999, 69 firms in 2000 and 58 companies in 2001. To determine which of these recommendations affect a firm's value, multivariate analysis discriminant analysis technique was applied.

Our second objective consisted of jointly determining the effects on a firm's value of Olivencia Code's recommendations as well as other firm control-related factors, in order to gauge whether the compliance with corporate governance

---

<sup>1</sup> The Olivencia Code was selected for the study, rather than the Aldama Code, since the available data serie of compliance was longer (1999-2001), whilts for the Aldama Code only one year was available.

mechanisms has been positive for Spanish firms since the application of the Olivencia code in 1998. For this purpose, we have considered a period of study comprising two periods: a control period where the Olivencia code had not yet been issued (from 1996 to 1998), and a second period, from 1999 to 2001, years for which there are data available on the application of the Olivencia code and the degree of compliance with its recommendations. For this second analysis, we constructed a complete and balanced panel, which reduced the sample size to only 50 Spanish firms ranging from 1996 to 2001, since firms with incomplete or unreliable data were dropped from the sample. Financial data were obtained from the COMPUSTAT database. A distribution of firms by sectors is shown in Table 1 whilst Table 2 discloses some descriptive statistics.

**TABLE II.1: NUMBER OF FIRMS BY SECTOR**

Classification by sectors of the 50 firms composing our sample for the period 1996-2001.

	<b>NUMBER OF FIRMS</b>	<b>PERCENTAGE</b>
TRADE AND OTHER SERVICES	10	20.0
CONSTRUCTION	8	16.0
CAPITAL ASSETS	9	18.0
INDUSTRIES OF TRANSFORMATION	10	20.0
TRANSPORTS AND COMMUNICATIONS	3	6.0
ENERGY	3	6.0
FINANCIAL SERVICES	7	14.0
<b>TOTAL</b>	<b>50</b>	<b>100</b>

Source: Prepared by the author

**TABLE II.2: STATISTICS DESCRIPTIVES**

VARIABLE	N	MINIMUM	MAXIMUM	MEAN	STAND. VAR.
Tobin'sQ	350	0.00	11.48	1.1609	1.05
GOV	350	0.00	1	.5714	.49558
APLICGC	350	0.00	44	6.6857	14.74554
AUDI	350	0.00	1	.8057	.39622
TRANS	350	0.00	1	.1371	.34449
REMDIR	350	-106.70	754.37	4.6980	50.38885
LSIZE	350	1.36	5.53	2.8085	.80104

Source: Prepared by the author using SPSS software

The panel data structure is captured by the econometric model given in equation 1, where  $y_{it}$ ,  $X_{it}$  and  $\varepsilon_{it}$  stand for the Tobin's q, the vector of explanatory variables (assumed to be either exogenous or predetermined) and a white noise random variable for firm  $i$  and time  $t$ , respectively.

$$y_{it} = X_{it}'\beta + \eta_i + \varepsilon_{it} \quad \forall i = 1, \dots, N \quad \forall t = 1, \dots, T \quad (1)$$

The unobserved cross-sectional heterogeneity, captured by  $\eta_i$ , is analysed by both the *Fixed Effects* and the *Random Effects* models (hereafter FE and RE models, respectively). If all the explanatory variables are strictly exogenous the so-called Within-Group (WG) estimator provides consistent estimates for the parameters of the FE model (vector  $\beta$ ). Moreover, if the regressors and the specific firm component are uncorrelated, estimating the RE model by (Feasible) Generalised Least Squares (GLS) yields to more efficient estimates, since it accounts for the variance and covariance matrix of  $\eta_i + \varepsilon_{it}$ . This assumption (i.e.  $E[x_{it}\eta_i] = 0 \quad \forall i = 1, \dots, N$ ) is traditionally tested by the Hausman's (1978) specification test or, alternatively, the RE the Breusch and Pagan's (1979) LR statistic can be used.

The discussion on FE and RE models, however, is only valid in static models where all regressors are strictly exogenous. Nevertheless in many cases the specification of dynamic structures strongly recommended (e.g. to avoid possible

autocorrelation or endogeneity problems), not even the WG is consistent. Moreover, calculating first differences to remove  $\eta_i$  component creates a negative correlation between the lagged dependent variable and the errors in the transformed equation. In that case, the first differenced equation could be estimated by instrumental variables (IV) or two-step-least squares (2SLS), since the lagged levels of the dependent variable, dated  $t-s$  for  $s$  larger than the maximum lag of the dynamic structure of the model, are valid instruments. Arellano and Bond (1991) derived a Generalized Method of Moments (GMM) by optimally exploiting the moment conditions. This methodology assumes that there is no autocorrelation in  $\varepsilon_{it}$ , which must also be tested (m1 and m2 statistics for first and second order autocorrelation in the first difference residuals). Moreover the Sargan test of over-identifying restrictions for the dynamic panel data model must also be implemented to check the validity of the instruments.<sup>2</sup>

#### II.4. THE SUITABILITY OF THE OLIVENCIA CODE FOR SPANISH FIRMS.

To determine the suitability of the Olivencia code, we analyse the degree of compliance with each recommendation in the Olivencia code and its explanatory power with regard to a firm's value. With this purpose we performed a discriminant analysis in order to determine the effects on a firm's value of each individual recommendation as well as their clustering. The dependent variable is a firm's value, proxied through the Tobin'Q which we defined, following Agrawal and Knoeber (1996) as shown in equation (5). As usually, Q values higher than one will be associated with higher firm values, and vice versa.

$$Tobin's\_q = \frac{market\_value + debt}{book\_value\_of\_assets} \quad (5)$$

As independent variables, we use each of the first 22 recommendations of the Olivencia code<sup>3</sup>. To construct these variables, for each company answering the CNMV's questionnaire in the years 1999, 2000 and 2001, we assigned a value of 0, 1 or 2 to each recommendation, considering whether the firm has total compliance (2), partial compliance (1) or non compliance (0) with each recommendation. The sum of the

<sup>2</sup>See Arellano (2003) or Baltagi (2005) for further details about the panel data methodology.

<sup>3</sup>We do not include recommendation 23 into the analysis since it refers to the obligation of the firm to report its compliance with the CGC to the CNMV. All the firms in our sample have so reported to the CNMV at least one year in our sample period.

weights obtained by each recommendation for the whole group of firms are shown in Table 3, which also displays a hierarchical list of the most observed recommendations.

**TABLE II.3: OLIVENCIA CODE RECOMMENDATIONS COMPLIANCE.**<sup>4</sup>

Data on compliance of each recommendation for 187 revised questionnaires<sup>5</sup>.

Recommendation Number	PunctuationValue
REC. 22	371
REC. 10	366
REC. 19 *	366
REC. 6 *	358
REC. 9	353
REC. 1	348
REC. 18	344
REC. 14	340
REC. 4	339
REC. 2	338
REC. 20 *	336
REC. 16 *	334
REC. 3	332
REC. 21	324
REC. 17	323
REC. 12	303
REC. 5 *	298
REC. 15	288
REC. 11	282
REC. 8	250
REC. 13	219

<sup>4</sup>Column 1 shows the number of the recommendation ordered by its hierarchical position; Column 2 displays the sum of the weights attached to each recommendation: we assigned a value of 0, 1 or 2 to each recommendation, considering whether the firm has total compliance (2), partial compliance (1) or non-compliance (0). The maximum value that a recommendation can obtain is 374 (187 firms multiplied by 2- total compliance value-).

<sup>5</sup>\* Stars mean that the recommendation was found significant at the discriminant analysis.

Source: Prepared by the author using SPSS software

Results are shown in Table 4, which also provides the summary of the discriminant canonical functions, with a value of the canonical correlation of 0.522.

**TABLE II.4: DISCRIMINANT ANALYSIS RESULTS<sup>6</sup>.  
INCLUDED/DROPPED VARIABLES<sup>789</sup>**

VARIABLE		WILKS' LAMBDA							
STEP	INCLUDE	F							
	D	T- STAT.	D.F. 1	D.F. 2	D.F. 3	T- STAT.	D.F. 1	D.F. 2	D.F. 3
	REC 19	0.942	1	1	113.00	6.943	1	113.00	0.010
					0			0	
	REC 20	0.876	2	1	113.00	7.922	2	112.00	0.001
					0			0	
	REC 6	0.802	3	1	113.00	9.160	3	111.00	0.000
					0			0	
	REC 5	0.766	4	1	113.00	8.328	4	110.00	0.000
					0			0	
	REC 16	0.728	5	1	113.00	8.145	5	109.00	0.000
					0			0	
<b>FunctionTest</b>	<b>WILKS' LAMBDA</b>	<b>CHI-squared</b>	<b>d.f.</b>	<b>p-value</b>					
	1	0.728	35.080	5	0.000				

REC stands for recommendation; D.F. stands for degrees of freedom

Source: Prepared by the author using SPSS software

We also display the Wilks' Lambda test, which measures the statistical significance of the discriminatory capacity of the function and which is significant in

<sup>6</sup>At each step, the variable minimising the global Wilks' Lambda is included

<sup>7</sup>Maximum number of steps is 44

<sup>8</sup>Minimum partial F to enter is 3.84

<sup>9</sup>Maximum partial F to drop is 2.71

our study. These results give evidence of a significant relationship between a firm's value and recommendations 19, 20, 6, 5 and 16, which are related to further information requirements (recommendation 19), further auditing requirements (recommendation 20) and internal company regulations such as the need to give more independence to the Secretary of the Board (recommendation 6), the need to adopt necessary safeguards when the roles of chairman and CEO are combined in the same person (recommendation 5) and the need to guarantee the directors' general duties of diligence, confidentiality and loyalty (recommendation 16). It is noteworthy that the last two recommendations (5 and 16) are not among the most observed by Spanish firms (as was shown in Table 3), despite their high impact on firm's value. For this reason we consider that their compliance by Spanish firms should be encouraged in order to increase a firm's value. We thus recall Recalde (2003) when he indicates that European CGCs need to become more normative if they want to be more efficient. From our point of view, Spanish companies still need to improve in the adoption of good corporate governance practices. Moreover since the recommendations 5 and 16 affect to two basic aspects of corporate governance: Del Brio, Miguel and Perote (2002) have brought to light the problems caused on the efficiency of Spanish stock markets due to the use of confidential information by firm directors and Gomez Anson (2005) concludes that in almost the 77% of the firms that answered the questionnaire, the roles of chairman and CEO are combined in the same person.

## **II.5. EXPLAINING THE EFFECTS OF THE APPLICATION OF THE OLIVENCIA CODE ON A FIRM'S VALUE.**

This section summarises the hypotheses tested and the variables used for that purpose. Although the main objective of the paper consists on measuring the impact of corporate governance mechanisms on managerial value, other interesting hypotheses, such as the effects of audit reports, a firm's transparency policy, directors' remuneration or a firm' size are also analysed.

*HYPOTHESIS ONE: The greater the compliance with the CGC recommendations, the higher a firm's value.*

According to Drobetz, Schillhofer and Zimmermann (2003), a direct relationship is expected between the compliance with the CGC and a firm's value. The justification



lies in the fact that investors do appreciate the reporting of information on compliance with a code that is requiring further corporate social responsibility. For this reason, we created a binary variable, GOV, which takes the value of 1 for firms that have answered the aforementioned questionnaire, and 0 otherwise. Since the execution of CGC recommendations is not possible prior to 1999 (the code did not even exist), GOV also controls for the period of application (taking the value of 0 for years prior to 1999).

Authors such as Fernández, Gómez-Ansón and Cuervo (2004) have already analysed the market reaction to the announcement of compliance, finding positive results. However, we want to go further and analyse not only whether firms comply or not with the code, but also to what degree a firm is complying with the code. For this purpose, a qualitative variable, APLI was constructed as the sum of the weights attributed to each of the 22 recommendations for each firm and for each year in the sample. Since the attached weights range from 0 (for non-compliance) to 2 (for total compliance), the value which the variable APLI may take ranges from 0 to 44. That is, a firm which totally complies with the 22 recommendations would obtain a maximum value of 44; while a firm which does not comply at all with any recommendation will take the value of 0. We then constructed the interactive variable APLICGC ( $APLI * GOV$ ) to better control for any possible change either in the intercept or the slope of the function.

*HYPOTHESIS TWO: The more favourable the audit report, the higher a firm's value.*

Dewing and Russel (2004) analyse the relationship of the audit report with the corporate governance regulation, pointing out that many cases of bad governance behaviour are related to unfavourable audit reports and lack of reliability of financial statements. Therefore, a *clean* audit report is expected to denote a higher firm value. To proxy the quality of the audit report, we followed the COMPUSTAD classification that distinguishes 5 categories of audit reports: (0) unaudited, (1) unqualified, (2) qualified, (3) no opinion and (4) unqualified opinion but explanatory language has been added to the standard report. We thus construct a binary variable AUDI that takes value 1 for categories 1 and 4, and 0 otherwise.

*HYPOTHESIS THREE: The greater the transparency, the higher a firm's value.*

Following Drobetz, Schillhofer and Zimmermann (2003), a positive relationship is expected between transparency and a firm's value, because shareholders' confidence in managers increases along with the volume and quality of the available corporate information. The reason is that managers' discretionality diminishes when they are controlled by adequately informed investors. Since the recommendation 15 of the CGC reinforced the improvement of transparency by recommending firms to report directors' remuneration on an individual basis, we used the publication of director's remuneration as a proxy of the degree of a firm's transparency. Thus, a dummy variable was constructed, TRANS, that takes value one for the firms that disclose directors' remuneration in individual basis and 0 otherwise.

*HYPOTHESIS FOUR: The higher the directors' compensation, the higher a firm's value.*

Despite the big controversy regarding the agency theory and the quite common opportunistic behaviour on the part of firms directors (Evans, Evans and Loh, 2002), there exists evidence on the positive relationship between total shareholder returns and directors' goodwill, as denoted by Conyon, Peck and Sadler (2000). Therefore, we intend to test whether managers' compensation is not only a mechanism to ensure a firm's performance but also to ensure the effectiveness of managers behaviour by means of a good remuneration.

In this sense, a higher compensation will bring better governance and consequently better results for a firm's shareholders (Ooghe and De Langhe, 2002). To proxy directors' compensation we considered the magnitude of their remuneration standardised by the volume of the firm's income. We thus constructed the variable REMDIR, which stands for the ratio of directors' emoluments to pretax income, where directors' emoluments comprise all fixed and variable remunerations paid to and on behalf of directors, as measured by Compustat item G419, and pretax income (Compustat item G635) represents net operating and non-operating income reported before appropriations to untaxed reserves, income taxes, minority interest and net and extraordinary items.

*HYPOTHESIS FIVE: The bigger the firm, the smaller a firm's value.*

A negative relationship is expected between firm size and its value due to the fact that directors of big firms not only pursue increasing the firm's value but also

preserving their status and stability within the firm. According to Drobetz, Schillhofer and Zimmermann (2003) and Lehmann and Weigand (2000), the negative relationship between firm size and Tobin's q corroborates that, among the biggest firms, the smallest ones are those which care most for the shareholder and thus obtain better results than those firms whose directors' targets go beyond shareholders' satisfaction. To measure firm size we used the natural logarithm of total assets (Compustat item G107).

In order to test these hypotheses above, we proposed two different specifications (eqs. 6 and 7) of the panel data model described in Section 2 (see eqs. 1 to 4). The first model represents a static relation while the second one incorporates a simple dynamic structure to avoid for possible autocorrelation in the error term.

$$Q_{it} = \beta_0 + \beta_1 GOV_{it} + \beta_2 APLICGC_{it} + \beta_3 AUDI_{it} + \beta_4 TRANS_{it} + \beta_5 REMDIR + \beta_6 LSIZE_{it} + u_{it} \quad (6)$$

$$Q_{it} = \beta_0 + \beta_1 Q_{it-1} + \beta_2 GOV_{it} + \beta_3 APLICGC_{it} + \beta_4 AUDI_{it} + \beta_5 TRANS_{it} + \beta_6 REMDIR + \beta_7 LSIZE_{it} + u_{it} \quad (7)$$

where  $Q_{it}$  is a proxy for a firm's value, as shown in equation 5 above, and the independent variables follow the description shown in Table II.5.

**TABLE II.5: DESCRIPTION OF VARIABLES IN MODEL (1).<sup>10</sup>**

VARIABLE	PROXY	MEASUREMENT	EXPECTED RELATIONSHIP
A firm's value	Q: Tobin's q.	Ratio of market value of outstanding shares plus debt to book value of assets.	Dependent variable.
Olivencia Code's Compliance	GOV: Measures if a firm accomplish or not the Olivencia's Code	Dummy variable that takes the value of 1 for the companies that fulfil the Olivencia	Constant of two sub samples

<sup>10</sup>The subindex refers to the observations for each variable of company  $i$  in moment  $t$ ,  $\beta_j$  represents the coefficients associated with each variable and  $u_{it}$  is the error term

---

		Code and 0 for that do not fulfil	
Degree of compliance with the Olivencia Code.	APLICGC: Measures whether a firm complies with each of the 22 recommendations.	For each firm we cumulate the weights associated to each recommendation, considering the value of 0 for firms which do not apply the recommendation, 1 for partial application and 2 for total application.	Positive
Unqualified audit report.	AUDI: stands for the quality of a firm's audit report.	Dummy variable that takes the value of 1 for unqualified firms and 0 otherwise.	Positive.
Transparency policy.	TRANS: voluntary reporting of directors' emoluments.	Dummy variable that takes the value of 1 for firms reporting on managers' remuneration and 0 otherwise.	Positive
Directors' compensation.	REMDIR: percentage of income perceived	Ratio of directors' emoluments to pretax income.	Positive.

---

---

by directors as  
 emoluments.

Directors' own LSIZE:                      Logarithm of total Negative  
 interests.                      Firm's size                      assets

---

Source: Prepared by the author

## II.6. RESULTS

Table 6 displays the estimates and their corresponding t-statistics for the different panel data models.

**TABLE II.6: PANEL DATA ESTIMATE.**

	<b>F.E. MODEL (WG)</b>	<b>R.E. MODEL (GLS)</b>	<b>DYNAMIC MODEL (GMM/2SLS)</b>
<b>Q (-1)</b>			0.5685092 (23.72)
<b>GOV</b>	-0.1527422 (-1.52)	-0.1814212 (-1.97)	-0.4948696 (-6.89)
<b>APLIGC</b>	0.0056227 (1.71)	0.00583 (1.81)	0.0031394 (4.15)
<b>AUDI</b>	0.256263 (1.94)	0.2926235 (2.33)	0.1011337 (2.67)
<b>TRANS</b>	-0.2190779 (-1.49)	-0.1988961 (-1.40)	0.0543459 (1.50)
<b>REMDIR</b>	0.0028248 (0.41)	0.0016752 (0.24)	0.0018929 (3.20)
<b>LSIZE</b>	-0.4288099 (-1.74)	-0.3154186 (-2.53)	-0.8947121 (-4.62)
<b>INTERCEPT</b>	2.237325 (3.32)	1.98229 (5.14)	0.078064 (3.99)
<b>F (49,294)</b>	8.17 [0.0000]		

---

---

<b>HAUSMAN TEST</b>	3.67	
		[0.7215]
<b>BREUSCH AND PAGAN</b>	258.58	
<b>LAGRANGIAN</b>		[0.0000]
<b>MULTIPLIER TEST</b>		
<b>m1</b>		-1.52
		[0.1273]
<b>m2</b>		0.62
		[0.5371]
<b>SARGAN</b>		10.81(14)
		[0.7012]

---

(T Statistics in parentheses and P-values in brackets)

**Source: Prepared by the author using Stata software**

The linear restrictions test ( $F_{49,292}$ ) confirms the need of exploiting the panel data structure to avoid cross-sectional heterogeneity biases. The first and second columns correspond to the static FE and RE models. According to the Hausman specification test and the Breusch-Pagan LM test both estimates are consistent but the RE model involves more efficient estimates. However, other panel data studies involving Tobin's q recommended the use of dynamic models – see Hayashi and Inoue (1991) or Blundell, Bond, Devereux and Schiantarelli (1992) – and, consequently, we also provide estimates for the model including the first lag of Tobin's q as an additional explanatory variable (column 3). The Arellano-Bond tests of first and second order autocorrelation in the differenced residuals (m1 and m2, respectively) give evidence in favour of the absence of misspecification when using the simplest dynamic structure. Such a model is estimated by the GMM-2SLS Arellano-Bond dynamic panel data estimator and for this specification the Sargan test of over-identifying restrictions was also computed confirming the validity of the instruments. Regarding the parameter estimates, the results of both the static and dynamic specifications are quite similar, but the significance of the parameters obtained by the GMM-2SLS seems to increase due to the incorporation of a dynamic structure, which eliminates possible autocorrelation in the disturbances.

All these results support the need to observe new corporate governance practices in order to increase firm's value. Firms complying with the Olivencia code requirements (APLICGC), reporting unqualified audit reports (AUDI), providing a high director's remuneration (REMDIR), and smaller size (LSIZE) have had their value increased in the last few years. Reporting a firm's directors' remuneration (TRANS) is expected to be welcome by the stock market, although this effect is not clearly significant.

One of the most significant variables in the study is APLICGC, which is positive and highly significantly related to firm's value. Nevertheless the dummy variable capturing whether the firm complied with the Olivencia code or not (GOV) reflects a negative and significant relation to firm's (non-detected by Olcese, Gascó, Martínez-Pardo, Bonet and Gómez-Ansón, 2004). This finding implies a change in both the slope and the constant when describing the relationship between Tobin's q and the degree of compliance with the code. The impact of the variable on Tobin's q is captured by the APLICGC's slope and the negative value for GOV's parameter is required to improve data fit quality. In other words, it is the degree of compliance, rather than the mere publication of whether firms comply, which increases firm's value. And it happens despite the fact that the CNMV has not yet been able to control for the veracity of the communications about Olivencia code compliance. It seems that for the Spanish case, results do not corroborate Weir and Lang's (2001) results when they conclude that a strict compliance with CGC does not lead to improvements in firm's performance.

With respect to the other 4 hypotheses considered, the hypotheses two, four and five are confirmed by our results. In particular, AUDI is clearly positive and significant, which agrees with the results obtained by Drobetz, Shilfhofer and Zimmermann (2003) for the German market and represents very hopeful news after results obtained by Del Brio (1998) or Cabal (2000) concluding that the Spanish market reacts similarly to both qualified and unqualified audit reports. On the other hand, Tobin's q reacts negatively to LSIZE, but taking into account that among the 50 firms in our sample we find most of the biggest Spanish firms, this negative relationship indicates that the firms whose value has especially increased in the last years are the smallest among the biggest ones. The positive and significant effect of director's compensation on a firm's value is detected on the dynamic GMM regression because

this estimation seems to be more efficient as stated above. Finally, the least significant variable is the dummy variable TRANS, that is, the fact that a firm reports its directors' remuneration or not. The significance of this variable is weak, since the smallest p-value is 0.133 (obtained in the dynamic model).

## **II.7. CONCLUSIONS.**

Previous studies have cast doubts on the effectiveness of the application of good corporate governance codes in European countries, since sometimes they provoke new inefficiencies owing to the lack of suitability of Anglo-Saxon orientated codes to Continental-European firms. For this reason, the current paper analyses the degree of compliance of Spanish firms with the Olivencia code (Spain being a Continental-European country with an Anglo-Saxon orientated CGC) and analyse which of its recommendations have positive effects on a firm's value. We concluded that the most relevant recommendations are those that imply that the firm goes beyond legal information requirements, reporting better information on internal issues and verifying the information also by an Audit Committee. Also recommendations affecting the company's internal regulation are welcome. It is also noteworthy that despite their significance level some of them are not usually observed by Spanish firms, reason why their compliance in Spanish firms should be encouraged in order to increase a firm's value. We may then conclude that CGC should be probably be normative, rather than voluntary, in order to improve firms' performance. Furthermore, we contribute to the investigation on corporate governance by using the panel data methodology to measure the relationship between a firm's value and the degree of compliance with 22 Olivencia Code recommendations as well as other corporate governance related variables (auditing, directors remuneration, transparency and firm' size). The results suggest a positive relationship between the variables of execution of good corporate governance practices and the value of the firm. They also provide evidence on the fact that a firm's value increases as long as the audit reports receive favourable opinions, the higher the managers' compensation, the smaller the firm size and the more transparent the firm is.

We go further than previous Spanish authors which focus the analysis on the market reaction to the announcement of compliance. In fact, we conclude that it is the



degree of compliance, rather than the mere reporting of whether firms comply, which increases firm's value. The results of this research support the capability of the good corporate governance practices proposed by the CNMV to ensure better managerial results for the Spanish companies, despite their Anglo-Saxon orientation. The execution of these recommendations by Spanish firms leads to greater trust on the part of investors in stock markets and corporate governance, which is welcome after the increasing atmosphere of insecurity created after Enron and other firms collapsed. From our point of view, Spanish companies should go further on the adoption of practices that guarantee shareholders' protection, since it may bring not only more wealth to shareholders but also greater security and stability for directors.

## CHAPTER III

# OWNERSHIP STRUCTURE AND DIVERSIFICATION IN A SCENARIO OF WEAK SHAREHOLDER PROTECTION

### III.1. INTRODUCTION

Agency theory suggests that managers who are less aligned with outside investors tend to design corporate strategies that pursue growth (i.e., diversification and internationalization), rather than value maximization (i.e., innovation). Therefore, the lack of alignment between ownership and control, and the failure of control mechanisms, are commonly associated with corporate diversification. Managerial and financial theories<sup>11</sup> have advanced research on this topic by analyzing the relationship between diversification and ownership structure (Amihud and Lev, 1999; Yoshikawa and Phan, 2005), under the assumption that firms with greater ownership concentration are less diversified. More diffused ownership, in contrast, is expected to provide managers with considerable discretion and greater latitude in determining corporate strategy, which encourages higher levels of diversification; this is a situation that is also associated with entrenched managers and very high levels of insider ownership.

Most of the available literature on this topic focuses on the US and common-law countries, where this relationship is expected to hold. Some evidence exists for countries operating under other legal systems, such as Sweden (Collin and Bengtsson, 2000). However, we argue that some differences are expected when this relationship is examined in a scenario characterized by low shareholder protection. As suggested by Shleifer and Vishny (1997), La Porta, Lopez-de-Silanes, Shleifer and Vishny (1998) and La Porta, Lopez-de-Silanes and Vishny (1999), poor investor protection is associated

---

<sup>11</sup>Lane, Canella and Lubtakin (1998) and Arthus and Busenitz (2003), among others, discuss the limitations of agency theory in describing the relationship between corporate strategy and the value of a firm. This relationship has also been analyzed using other competing theories, such as the stewardship theory (Donaldson and Davis, 1991; Fox and Hamilton, 1994) and managerial approaches. Denis, Denis and Sarin (1999), Amihud and Lev (1999) and Kang (2006) support the agency theory approach as the most relevant to analyzing this issue.

with extremely concentrated ownership, since large shareholdings can be viewed as a strategy by large investors to exercise power over entrenched managers. Thus, ownership concentration is deemed a good substitute for legal investor protection in weak investor protection countries, such as French civil law countries. A similar situation is depicted by Gonenc and Aybar (2006) for a sample of Turkish firms, although these authors focus on firm performance rather than on diversification.

We explore the relationship between ownership structure and diversification in Spain as an example of a French civil law country that provides a particularly well suited scenario for analysis, because: (i) there is evidence on the weaker protection of investors as compared to the U.S. and other European markets (La Porta, Lopez-de-Silanes, Shleifer and Vishny, 1998; Miguel, Pindado and De la Torre, 2004); (ii) the level of information asymmetries is very high (Del Brio, Miguel and Perote, 2002; Del Brio, Miguel y Tobar, 2010), thus enhancing the disconnection between managers and outside investors; (iii) the likeliness of entrenchment is very high, although it takes place for higher ownership levels than U.K. and U.S. counterparts;<sup>12</sup> (iv) apart from entrenched managers, investor rents are likely to be expropriated by large shareholders, which may occur at high levels of ownership concentration (Miguel, Pindado and De la Torre, 2004); and (v) when rent expropriation by large shareholders takes place, the highly concentrated shareholder ownership structure requires very high levels of insider ownership in order to ensure value maximization (Pindado and De la Torre, 2006). It could be probably due to the lack defense of managers to mount takeover defenses, as suggested by Short and Keasey (1999).

Accordingly, when analyzing the relationship between diversification and ownership structure under the agency theory framework, we should examine how the effects of *expropriation* and *entrenchment* phenomena affect corporate strategy. Since diversification is expected to be negatively related to firm value, we expect to observe a U-shaped function between ownership concentration and diversification (rather than the  $\cap$ -shaped relationship identified for ownership concentration and firm value), and a cubic function for insider ownership.

---

<sup>12</sup>Spanish insiders become entrenched when ownership ranges from 35% to 70%, rather than the 5% to 25% range reported for US firms, or the 12% and 41% for U.K. managers.

Our results are conclusive: a quadratic relationship between ownership concentration and diversification (in the opposite sign than the relationship between ownership and firm value), and a cubic relationship between insider ownership and diversification (also with the opposite sign). We also find that several control variables included in the model help to modulate the level of diversification; these include level of debt and compliance with codes of good practice, as predicted by agency theory. However, no conclusive relationship is detected for executive compensation and diversification.

This chapter proceeds as follows. The following section reviews research on the topic, the section following that describes the hypotheses and reviews the literature on diversification and corporate governance issues, placing special emphasis on insider ownership and ownership concentration. The next section describes the sample and the methodology employed. The final two sections present the results and the main conclusions.

### **III.2. DIVERSIFICATION AS AN AGENCY COST**

Over the past several decades, the relationship between the principal-agent conflict and corporate strategy has been of fundamental concern on both academic and practical grounds. With respect to diversification, most of the available evidence supports that, because diversified firms trade at a discount relative to their single-segment counterparts, diversification strategies represent a manifestation of a conflict of interests between managers and stockholders (Denis, Denis and Sarin, 1999), as well as a form of manager perquisite.

Shleifer and Vishny (1989) report that one of the main motivations behind diversification strategies, for entrenched managers, is to make themselves more valuable to shareholders and costly to replace. Amihud and Lev (1981, 1999) report that, through diversification strategies, managers diversify their own employment risk, reduce firm risk (at the expense of lower shareholder returns) and increase firm size, thus generating personal gains, such as a concomitant increase in compensation schemes (Stulz, 1990).

Nevertheless, the true effects of diversification on firm value remain an empirical question. Recently, Villalonga (2004a, 2004b) has fuelled debate on the issue

by uncovering the existence of a diversification premium, which indicates that managers pursue shareholder interests when diversifying. She states two reasons not to support the existence of a diversification discount: (i) Campa and Kedia (2002)'s conclusion that diversified firms traded at a discount "prior to diversifying", and (ii) the inconsistency in segment definition which occurs across firms and over time mainly when using COMPUSTAT database. At the view of her results, the pursue of value maximizing strategies and growth are not driven by agency problems and self-aggrandizement of management, thus contradicting Jensen and Ruback (1983).

However, COMPUSTAT dataset is widely used in the empirical literature and the difficulties to get segment data beyond COMPUSTAT are extremely high. Nevertheless, the evidence from several countries suggests that companies that exhibit more agency problems are more diversified (Laeven and Levine, 2007), and, more specifically, that firms with greater ownership concentration are less diversified, highlighting the correlation between diversification and ownership structure. Although still Wan and Hoskisson (2003) state that institutional factors have a significant impact on the relationship between diversification strategies and firm value.

In this sense, Hill and Snell (1988) find that for research-intensive industries where managers dominate, diversification strategies are exacerbated, while innovation strategies are favored for owner-controlled firms. Amihud and Lev (1999) and Chkir and Cosset (2001) also report that for diffuse ownership, firms are not stimulated to pursue corporate value-maximizing strategies. Therefore, when agency costs are stressed, the monitoring role of the ownership structure, both in terms of ownership concentration and the level of insider ownership<sup>13</sup> (Jensen and Meckling, 1986), should also affect diversification. Denis, Denis and Sarin (1997, 1999) report that the level of diversification is negatively related to managerial equity ownership, and to the equity ownership of outside blockholders.

Carpenter, Pollock and Leary (2003) go further and point out the need to integrate agency and behavioral perspectives to analyze corporate strategy. From their point of view, the choice of corporate strategy and the nature of risks undertaken are a

---

<sup>13</sup>Graves (1988), Graves and Waddock (1990), and Bethel and Liebeskind (1993) analyze the role played by different kinds of equity owners (e.g., blockholders, institutional owners) in strategic decision making and corporate restructurings.

consequence of the interaction of governance mechanisms and stakeholder characteristics. If so, in order to correctly depict the relationship between agency costs and diversification, the effects of other governance mechanisms, such as leverage, executive compensation, and compliance with codes of good practice should be taken into account.

### **III.3. HYPOTHESES**

#### **III.3.1. Ownership Concentration and Insider Ownership**

Due to the monitoring effects of ownership concentration (Shleifer and Vishny, 1986; 1997), high levels of ownership concentration are expected to motivate the adoption of value-maximizing corporate strategies, and to prevent diversification. However, when the entrenchment effect dominates, we find that for very high levels of ownership concentration, controlling owners are not willing to take on excessive risk, and thus pursue diversification strategies that tend toward rent expropriation from minority shareholders, and that worsen company returns.

Adopting a context of weak shareholder protection, this situation is exacerbated since the likelihood of expropriation is greater in countries with weaker investor protection (La Porta, Lopez-de-Silanes and Shleifer, 1999). Actually, La Porta, Lopez-de-Silanes, Vishny and Shleifer (1998) state that companies in countries with poor investor protection have more concentrated share ownership, since dominant shareholders who monitor managers might need to own more capital, *ceteris paribus*, to exercise their rights of control, and thus to avoid being expropriated by such managers.

The picture that emerges for Spanish companies agrees with the situation described above: (i) their level of ownership concentration is higher than that of their US and Japanese counterparts (Fernández Rodríguez, Gómez-Ansón and Cuervo-García, 2004); and (2) a non-linear relationship between firm value and ownership concentration has been uncovered (Miguel, Pindado and De la Torre (2004)), which suggests that expropriation by large shareholders is likely to occur for very highly concentrated firms.

Given these arguments, for low protection scenarios we expect a quadratic U-shaped function to depict the relationship between ownership concentration and

diversification. If so, the monitoring function of ownership concentration will work only at low levels of ownership concentration, transitioning to expropriation by large shareholders at very high levels. Thus, we propose the following hypothesis:

*Hypothesis 1: In a scenario of weaker shareholder protection, corporate diversification is expected for very high levels of ownership concentration (at expropriation levels).*

As stated above, the likelihood of entrenchment in scenarios characterized by low levels of investor protection is very high. Although the agency theory suggests that management share ownership helps to closely align the interests of managers and owners and to enhance shareholder value, excessive management equity may distort the monitoring effects of insider ownership. Thus, from a particular threshold on, managers may have incentive to increase their personal wealth rather than firm value, which favors the adoption of diversification strategies.

Thus, a nonlinear relationship should be expected between insider ownership and corporate diversification. According to recent results, Miguel, Pindado and De la Torre (2004), for the Spanish context, firm value decreases with insider ownership at intermediate levels (when ownership ranges from 35% to 70%) and increases with insider ownership at low and high levels (outside the above mentioned interval), leading to a cubic relationship, which is also suggested by Mudambi and Nicosia (1998) and Hermalin and Weisbach (1991) for UK and US firms, respectively.

Therefore, since managers are entrenched between 35% and 75% of equity ownership, we may expect a cubic relationship between insider ownership and diversification, which should be, however, of the opposite sign. That is, for intermediate levels of insider ownership where managers are likely to be entrenched, a positive relationship should be expected between managerial ownership and diversification. On the contrary, the relationship is expected to turn negative for any percentage of insider ownership outside this interval, since managers' interests would then be aligned with those of shareholders.

*Hypothesis 2: Managers exhibiting either low or high ownership stakes within their own firm will not select diversification strategies, while managers exhibiting moderate*

*levels of equity ownership are more likely to set diversification strategies that further firm growth.*

### **III. 3.2. Control Variables**

We use debt, executive compensation, and compliance with codes of good practice as control variables. The monitoring effect of debt on conflicts of interest has been widely documented in the literature since Jensen (1986). With respect to ownership structure, debt financing, as noted by Pindado and De la Torre (2006), succeeds in disciplining managers by limiting profits derived from the misuse of their dominant position, and consequently, the incentive to entrench through share ownership diminishes. Therefore, the inclusion of debt as a control variable in our model is critical. With respect to corporate strategy, debt is found to reduce the risk that managers adopt unrelated diversification strategies that fail to create value from a shareholder viewpoint, since managers are exposed to the monitoring role of debt markets (Lopez Iturriaga, 2005; Lopez-Iturriaga and Rodriguez-Sanz, 2008; and Saona and Vallelado, 2008).

Also, the influence of the codes of good practice on manager choice of diversification strategy should be considered. Codes of good practice are deemed key to more effective corporate governance and value maximization, since they may curb managerial discretion and increase minority shareholder protection. Mallin, Mullineux and Wihlborg (2005) conclude that only through codes of good practice is it possible to increase confidence in managers, which in conjunction with a favorable economic panorama, creates an attractive atmosphere for shareholders. In fact, corporate governance codes encourage public firms to provide more information on business ethics and management transparency. In low protection scenarios, codes of good practice are extremely useful as substitutes for the inefficient legal protection afforded to shareholders.

The Spanish code of good practice, the Olivencia Code, contains 23 recommendations that are devoted mainly to the enhancement of the proper functioning of the ownership structure, the board of directors, the level of shareholder rights, and the transparency of a firm. As salient features of Spanish companies regarding their compliance with the code, we highlight (i) low percentage of shares



held by the State; (ii) correct size, composition, and number of annual meetings of the Boards of Directors; (iii) existence of audit, and nomination and remuneration committees; (iv) low degree of usage of anti-takeover devices; (v) high degree of accounting transparency of information; and (vi) high degree of transparency of information on the firm's website (Gomez-Anson, 2005).

Thus, with respect to diversification, the codes of good practice, by aligning managers' and outside investors' interests and enhancing value maximization, are expected to discourage diversification and other growth-pursuing strategies that managers adopt regardless of shareholders' best interests. In this way, firms complying with the Olivencia code are less likely to adopt diversification strategies (Lehmann and Weigand, 2002).

Another outstanding feature that influences corporate strategy by way of monitoring manager behavior is executive compensation.<sup>14</sup> Although there is a lack of consensus,<sup>15</sup> most available evidence supports the notion that executive compensation works as an efficient incentive for managers to maximize firm value. Mehran (1995) finds that firm performance is positively related to both the percentage of management compensation that is equity-based and to the percentage of equity held by managers. Denis, Denis, and Sarin (1999) report that by tying management compensation to shareholder wealth, the alignment of interests between ownership and control is guaranteed, even when managerial equity ownership is low, thus discouraging diversification. Similar results are obtained by Murphy (1999) and Core, Guay and Larcker (2003). Accordingly, there is a positive relationship between management pursuit of value-maximizing strategies and the level of director remuneration.

---

<sup>14</sup>Actually we expect an endogeneity problem between both variables (corporate strategy and executive remuneration), since they are simultaneously determined within the firm. In fact, firm strategy is also one of the factors that helps to determine executive compensation (Balkin and Gomez-Mejia, 1990; David, Kochhar and Levitas, 1998). At the same time, ownership structure is also included among these factors.

<sup>15</sup> Rose and Shepard (1997) find higher executive remuneration in diversified firms since they are more difficult to run, and thus managers expect a higher premium. Denis, Denis and Sarin (1999) state that the payment of excessive salaries to managers is also an action that runs counter to shareholder interests.

### III. 4. SAMPLE AND METHODOLOGY

To evaluate our hypotheses, we have assembled a database of 50 nonfinancial firms quoted on the Spanish Continuous Market for the period 1996–2002. Thus, we constructed a complete, balanced panel of 350 observations that is estimated using a GMM panel data estimator. Data on diversification measures, debt, and director remuneration were obtained from the COMPUSTAT database. Data on compliance with the Olivencia code were provided by the Spanish Stock Market Supervisory Commission (CNMV). Table III.1 presents summary statistics for all variables.

**Table III.1: Descriptive statistics.**

<b>Variable</b>	<b>Mean</b>	<b>Std. Dev.</b>	<b>Min.</b>	<b>Max.</b>
<b>Diversification</b>	0.76	0.39	0.00	1.85
<b>Debt (millions euros)</b>	106.05	248.52	0.00	2962.03
<b>Good code compliance)</b>	7.45	16.03	0.00	44.00
<b>Executive Compensation</b>	0.62	7.32	0.00	113.07
<b>Ownership concentration (%)</b>	14.73	20.93	0.00	92.13
<b>Insider Ownership (%)</b>	5.75	14.30	0.00	87.84

Source: Prepared by the author using SPSS software

The GMM estimation method (Arellano, 2003) controls for individual effects generated by variation at a firm-specific level, and for the endogeneity problem, thus allowing proper consideration of the role played by corporate ownership in describing corporate strategy. This methodology assumes that there is no autocorrelation in  $\varepsilon_{it}$ , which is tested through the m1 and m2 statistics of Arellano and Bond (1991) for first and second order autocorrelation in the first difference residuals. Moreover, the Hansen test of over-identifying restrictions for the dynamic panel data model must also be implemented to check the validity of the instruments on which the GMM estimator is based (see Del Brio et al., 2003).

We tested two models that examine the relationship between ownership concentration and diversification (Model 1), and insider ownership and diversification (Model 2), respectively. In both cases, the selected control variables (debt, compliance with codes of good practice, and compensation schemes) are expected to capture any

constraining influence in the selection of corporate strategy by upper echelons of management.

In Model 1, diversification is regressed on ownership concentration and its square, so as to test *Hypothesis 1*. Following Miguel, Pindado and De la Torre (2004), we identify the break-point of the quadratic function (which is a minimum in our case), by computing the first partial derivative of diversification on ownership concentration.<sup>16</sup> Model 1 is expressed as in equation 1.

$$DIVER_{it} = \beta_0 + \beta_1 OWCON_{it} + \beta_2 OWCON_{it}^2 + \beta_3 DEBT_{it} + \beta_4 COMPGP_{it} + \beta_5 EXCOMP_{it} + u_{it} \quad (\text{Eq. 1})$$

$$\forall i = 1, \dots, N \text{ y } \forall t = 1, \dots, T,$$

where  $u_{it} = \eta_i + \varepsilon_{it}$ , and  $\eta_i$  captures unobserved cross-sectional heterogeneity, and  $\varepsilon_{it}$  denotes the error term.  $DIVER_{it}$  represents the Jacquemin-Berry (1979) entropy index, which bases the diversification of the firm in the number of segments and the relative weight of each segment with respect to total firm sales, as shown in equation 2.

$$DT = \sum_{i=1}^N P_i \ln\left(\frac{1}{P_i}\right), \quad (\text{Eq. 2})$$

where  $P_i$  is the share of the  $i$ th segment of total sales of the firm.  $N$  is the number of industry segments (four digits) in which a firm operates, as provided by the COMPUSTAT database.  $OWCON_{it}$  denotes ownership concentration and is measured as the Herfindalh index (ownership percentage of the five largest shareholders), and  $OWCON_{it}^2$  is its square.  $DEBT_{it}$  denotes leverage and is measured by debt ratio to total assets (as extracted from the Compustat database).  $EXCOMP_{it}$  denotes the level of executive compensation, and is measured as the ratio of director remuneration to earnings before interest and taxes; this is also derived from the Compustat database. Finally,  $COMPGP_{it}$  denotes the level of compliance with the recommendations of the Olivencia code of good practice for the  $i$ th firm in period  $t$ .

Data on compliance with the Olivencia code by all Spanish firms quoted on the Spanish Continuous Market were obtained from the CNMV. The CNMV sent a

<sup>16</sup>As given by Miguelet *al.* (2004), we let this partial derivative equal zero, and thus the breakpoint is  $OWNCON = -(\beta_1/2\beta_2)$ .  $OWNCON$  is negative and, consequently,  $\beta_1$  and  $\beta_2$  have opposite signs. Additionally, *Hypothesis 1* implies that  $OWNCON$  is a minimum, and thus  $\beta_2 > 0$  and  $\beta_1 < 0$ .

questionnaire to all Spanish quoted firms demanding information on their compliance with each of the 23 recommendations contained in the Olivencia code. Responses were obtained from the CNMV website (www.cnmv.es). To construct the variable *COMPGP*, we assigned a value of 0, 1, or 2 to each of the 22 recommendations, depending on whether the firm shows total compliance (2), partial compliance (1), or non-compliance (0) with each recommendation. All the recommendations were equally weighted- Finally, we computed the sum of the weights obtained for the whole group of recommendations by each firm in each year.

Model 2, in turn, is expressed as in equation 3. To test *Hypothesis 2*, diversification is regressed on insider ownership, its square and its cube. In this case, we may identify whether the breakpoints are a minimum or a maximum by calculating the second partial derivative

$$DIVER_{it} = \beta_0 + \beta_1 IOW_{it} + \beta_2 IOW_{it}^2 + \beta_3 IOW_{it}^3 + \beta_4 DEBT_{it} + \beta_5 COMPGP_{it} + \beta_6 EXCOMP_{it} + u_{it}, \quad (\text{Eq. 3})$$

where  $IOW_{it}$  denotes insider ownership and is measured as the percentage of outstanding shares possessed by a firm's managers.  $IOW_{it}^2$  stands for its square, and  $IOW_{it}^3$  represents its cube. The remainder of the variables are defined as in Model 1.

### III.5. RESULTS

#### III.5.1. Ownership Concentration and Diversification

Concerning ownership concentration, the estimation of Model 1 (as shown in Table 2) shows a quadratic (U-shaped) relationship between diversification and ownership concentration with a breakpoint, which is a minimum, located at the 91% level of ownership concentration

**Table III.2<sup>17</sup>: Results for the panel data estimation of Model 1: Diversification and ownership concentration.**

	<b>COEFFICIENT</b>	<b>STD. ERR.</b>	<b>Z</b>	<b>P &gt; [Z]</b>
<b>DIVERS (lagged)</b>	5.69E-01	6.75E-02	8.43	0.000
<b>OWNCONC</b>	-6.24E-03	2.22E-03	-2.81	0.005
<b>OWNCONC<sup>2</sup></b>	3.42E-05	2.07E-05	1.65	0.098
<b>DEBT</b>	-1.03E-04	5.19E-05	-1.99	0.047
<b>COMPGP</b>	-1.04E-03	5.03E-04	-2.08	0.038
<b>EXCOM</b>	-3.05E-04	2.92E-04	-1.05	0.296
<b>INTERCEPT</b>	5.94E-03	7.46E-03	0.80	0.426
<b><i>m</i><sup>1</sup></b>			-2.27	0.0231
<b><i>m</i><sup>2</sup></b>			-1.03	0.3017
<b>Hansen test</b>			212.33	0.5799
<b>Wald test</b>			250.73	

Source: Prepared by the author using STATA software

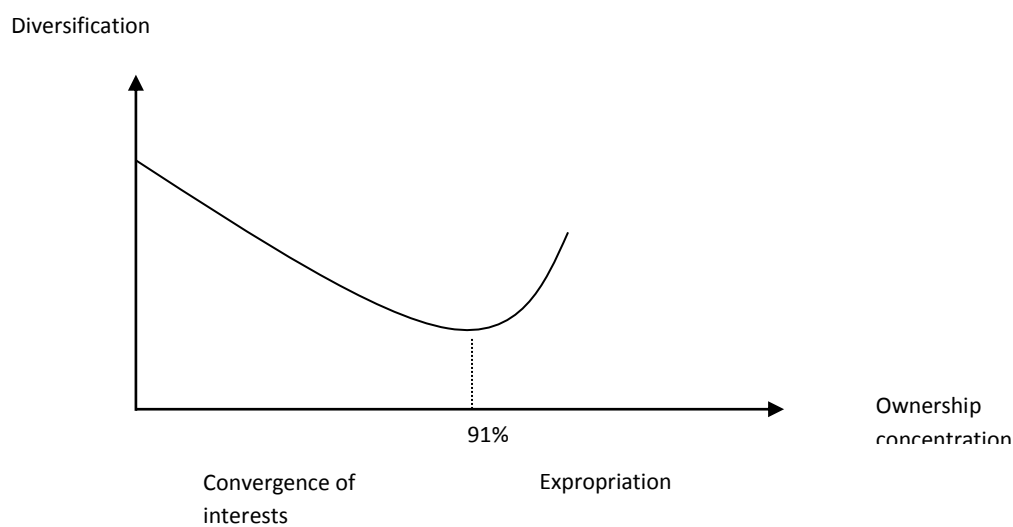
Thus, as ownership concentration increases up to 91%, diversification strategies are less likely to be adopted since managers are properly monitored by blockholders. However, since the sign of the function changes above 91% ownership concentration, we find that for very highly concentrated firms, the expropriation hypothesis applies

<sup>17</sup>This table reports the values of the coefficients, t-statistics and p-value for the estimation of Model 1.

$DIVER_{it} = \beta_0 + \beta_1 OWNCON_{it} + \beta_2 OWCON_{it}^2 + \beta_3 DEBT_{it} + \beta_4 COMPGP_{it} + \beta_5 EXCOMP_{it} + u_{it}$ , where  $u_{it} = \eta_i + \varepsilon_{it}$ , and  $\eta_i$  captures the unobserved cross-sectional heterogeneity, and  $\varepsilon_{it}$  denotes the error term.  $DIVER_{it}$  represents the first lag of the Jacquemin-Berry (1979) entropy index;  $OWNCON_{it}$  denotes ownership concentration, and  $OWCON_{it}^2$  is its square.  $DEBT_{it}$  denotes leverage, and  $EXCOMP_{it}$  denotes the level of directors' remuneration.  $COMPGP_{it}$  denotes the level of compliance with the recommendations of the Olivencia code of good practice for the  $i$ th firm in period  $t$ . Panel data models are estimated by using GMM panel data for Stata. Models are estimated after taking first differences of the variables so as to eliminate the individual effect, and lags  $t - 1$  and  $t - 2$  are used as instruments in order to control for endogeneity. Heteroskedasticity consistent asymptotic standard error in parentheses.  $m^1$  and  $m^2$  are the tests of serial correlation of order 1 and 2, respectively, using residuals in first differences. They are asymptotically distributed as  $N(0,1)$  under the null hypothesis of no serial correlation. Hansen is a test of the over-identifying restrictions, asymptotically distributed as  $\chi^2$  under the null hypothesis of no correlation between instruments and error terms. Degrees of freedom are shown in parentheses. Wald test: test of the joint significance of the reported coefficients, asymptotically distributed as  $\chi^2$  under the null of no relationship, degrees of freedom in parentheses

(Shleifer and Vishny, 1997). We thus also find a principal–principal problem in line with Yoshikawa and Phan (2005), since at this level of ownership concentration, it is not managers, but controlling owners who expropriate wealth from the interests of minority shareholders (Figure III.1).

**Figure III.1: Quadratic relationship for ownership concentration and diversification.**



**Source: Prepared by the author**

Thus, our results corroborate those of Miguel, Pindado and De la Torre (2004), which confirm the expropriation effect hypothesis for the very highest concentration values in Spanish firms. This result is not unexpected, since in low investor protection scenarios market discipline is not deemed to be a sufficient mechanism to guarantee that blockholders and minority shareholders coincide. However, we have advanced the field by generating the first evidence on the nonlinear relationship between ownership concentration and diversification (rather than firm value).

As for the control variables, concerning compliance with the codes of good practice, the expected degree of compliance shows a negative coefficient. As expected, good governance practices affect the relationship between diversification and ownership concentration. Those firms that observe good governance are less likely to diversify and, in turn, are more likely to pursue strategies that ensure shareholder interests. As to the role of debt, previously documented in the literature, we find a

significant negative relationship, thus concluding that firms that diversify usually prefer equity over debt for firm financing. Our results are at variance with those of Menéndez-Alonso (2003) for the Spanish market, since he did not find a significant relationship between leverage and diversification. Finally, regarding director remuneration, we identify a non-significant negative relationship, which may call into question the role of director compensation schemes as an efficient monitoring mechanism. However, the use of a more comprehensive measure of executive compensation could modify our results. In short, we may conclude that corporate governance discourages diversification, although its role as a control mechanism should be enhanced for Spanish firms. Our results are opposite to those of Rose and Shepartd (1997) which suggest that managers of firms with poorer governance could actually refrain from pursuing diversifying activities that would make them busier.

### III.5.2. Insider Ownership and Diversification

Results on insider ownership (Model 2) are presented in Table III.3.

**Table III.3<sup>18</sup>: GMM estimation of Model 2: Diversification and insider ownership**

<sup>18</sup>This table reports the values of the coefficients, t-statistics and p-value for the estimation of Model 2.

$$DIVER_{it} = \beta_0 + \beta_1 IOW_{it} + \beta_2 IOW_{it}^2 + \beta_3 IOW_{it}^3 + \beta_4 DEBT_{it} + \beta_5 COMPGP_{it} + \beta_6 EXCOMP_{it} + u_{it},$$
where  $u_{it} = \eta_i + \varepsilon_{it}$ , and  $\eta_i$  captures the unobserved cross-sectional heterogeneity, and  $\varepsilon_{it}$  denotes the error term.  $DIVER_{it}$  represents the first lag of the Jacquemin-Berry (1979) entropy index;  $IOW_{it}$  denotes insider ownership and is measured as the percentage of outstanding shares possessed by a firm's managers.  $IOW_{it}^2$  stands for its square, and  $IOW_{it}^3$  represents its cube.  $DEBT_{it}$  denotes leverage, and  $EXCOMP_{it}$  denotes the level of director remuneration  $COMPGP_{it}$  denotes the level of compliance with the recommendations of the Olivencia code of good practice for the  $it$ th firm in period  $t$ . Panel data models are estimated by using GMM panel data for Stata. Models are estimated after taking first differences of the variables so as to eliminate the individual effect, and lags  $t - 1$  and  $t - 2$  are used as instruments in order to control for endogeneity. Heteroskedasticity consistent asymptotic standard error in parentheses.  $m^1$  and  $m^2$  are the tests of serial correlation of order 1 and 2, respectively, using residuals in first differences. They are asymptotically distributed as  $N(0,1)$  under the null hypothesis of no serial correlation. Hansen is a test of the over-identifying restrictions, asymptotically distributed as  $\chi^2$  under the null hypothesis of no correlation between instruments and error terms. Degrees of freedom are shown in parentheses. Wald test: test of the joint significance of the reported coefficients, asymptotically distributed as  $\chi^2$  under the null of no relationship, degrees of freedom in parentheses

	COEFFICIENT	Z	P –value
<b>DIVERS (lagged)</b>	6.35E-01	6.91	0.000
<b>IOW</b>	-9.78E-03	-1.99	0.046
<b>IOW<sup>2</sup></b>	4.93E-04	1.84	0.066
<b>IOW<sup>3</sup></b>	-5.33E-06	-1.57	0.166
<b>DEBT</b>	-2.52E-06	-0.92	0.360
<b>COMP GP</b>	-6.03E-04	-1.29	0.198
<b>EXCOM</b>	-4.15E-04	-2.18	0.029
<b>INTERCEPT</b>	-4.43E-03	-0.70	0.487
<b><i>m</i><sup>1</sup></b>		-2.30	0.0213
<b><i>m</i><sup>2</sup></b>		-1.13	0.2604
<b>Hansen test</b>		217.10	0.2509
<b>Wald test</b>		134.03(7)	

Source: Prepared by the author using Stata software

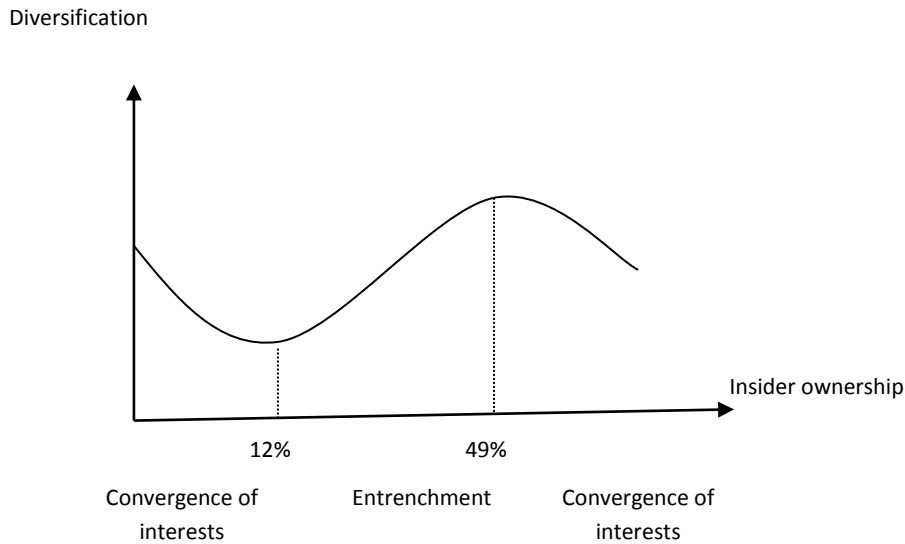
They confirm a cubic relationship between insider ownership and diversification, as expected. This suggests that for both low and high levels of ownership concentration, managers are able to expropriate shareholder wealth, and diversification strategies are more likely to be adopted. We find that in a first moment, insider ownership is negatively and significantly related to diversification (at the 5% level). However, its square is positively related to diversification, thus reflecting a direct relationship between insider ownership and diversification for entrenched managers. Finally, for the highest levels of insider ownership, the convergence of interests is restored, and the level of diversification of the firm decreases (see Figure III.2).<sup>19</sup> There are two break points, a minimum and a maximum, respectively, at the 12% and the 49% ownership levels. These values differ from those obtained for Miguel, Pindado, and De la Torre (2004) for the insider–ownership–firm’s value relationship. Accordingly, our results suggest that the negative externalities of

<sup>19</sup> Additionally, for the control variables, we report similar results to those obtained in the ownership concentration framework. The three variables are negatively related to diversification when insider ownership moderates the relationship, but the level of significance of these relationships is less than those obtained when ownership concentration moderates its relationship with diversification.



entrenchment affect diversification before they erode firm value, which also suggests that low levels of diversification are not harmful to a firm.

**Figure III.2: Cubic relationship between insider ownership and diversification.**



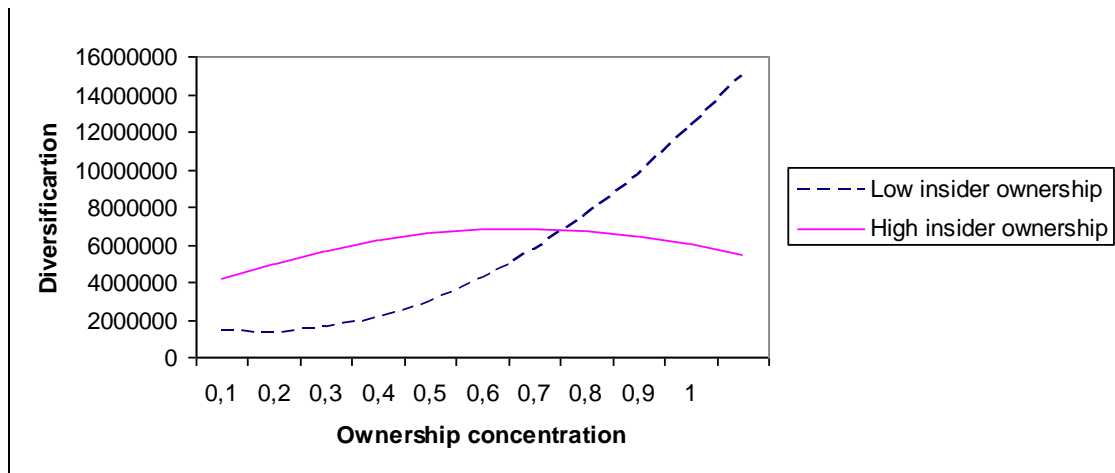
**Source: Prepared by the author**

### III.5.3. Diversification, Insider Ownership and Ownership Concentration

As stated above, when expropriation by blockholders is likely to occur and minority and controlling shareholders are not aligned, managers are in a position to ensure that minority shareholder interests are protected pursued by the firm. To determine whether this situation is possible in a low investor protection context, we analyze the interaction relationship between diversification and ownership concentration for various levels of insider ownership, as depicted in Figure III.3. Ownership concentration (x-axis) is plotted against diversification (y-axis) for both the 20<sup>th</sup> and the 80<sup>th</sup> percentile of insider ownership, which represent low versus high insider ownership, respectively. The remaining variables in Model 1 are held constant at their means.

**Figure III.3<sup>20</sup>: Interaction between diversification and ownership concentration.**

**Sensitivity to insider ownership.**



Source: Prepared by the author

As shown in this figure III.3, weak shareholder protection scenarios, which are characterized by highly concentrated ownership, require high levels of insider ownership in order to prevent the negative externalities of diversification. The dotted line, representing low levels of insider ownership, indicates that for highly concentrated firms, diversification is exacerbated when insider ownership is very low. However, for the same percentage of ownership concentration, the level of diversification diminishes when insider ownership exceeds 80%. This provides evidence for the monitoring effects of higher insider ownership, beyond entrenchment levels. It also corroborates Pindado and De la Torre (2006), who find that, for the Spanish case, concentrated ownership requires high levels of insider ownership in order to ensure value maximization, as is shown in La Porta, Lopez-de-Silanes and Vishny (1999).

<sup>20</sup>Figure 3 plots ownership concentration (x-axis) on diversification level (y-axis). “Low insider ownership” and “high insider ownership,” respectively, represent firms at the 20th and 80th percentiles of insider ownership. The remaining variables in Model 1 were held constant at their means (Aiken and West, 1991).

### III.6. DISCUSSION AND CONCLUSIONS

For the first time, the relationship between ownership structure and corporate strategy in a civil law country characterized by low shareholder protection is examined. After applying a GMM estimator on a complete and balanced panel, our results show that there exists a nonlinear relationship between diversification and ownership concentration, which is described by a quadratic U-shaped function, and between diversification and insider ownership, which is described by a cubic function. Thus, we present the first evidence of a nonlinear relationship between concentration structures and diversification, which is normally found to be linear for US and UK companies.

As an explanation for the odd behavior of Spanish firms as compared to UK and US firms, it is likely due to the differences in the corporate governance system among these countries. The lower Spanish level of legal protection, the scarce activity of the market for corporate control, but mainly the level of ownership concentration, since ownership is much more concentrated in Spain than in US or UK firms, which enables controlling shareholders to expropriate rents.

In fact, this paper shows that for low and moderate levels of ownership concentration, the benefits outweigh the costs; but for higher levels, conflicts of interest arise between managers and shareholders, which indicates that the costs of the conflict between blockholders and minority shareholders may be more severe than the manager–shareholder conflict. This problem may be exacerbated in countries with poor shareholder protections.

Therefore, the emergent picture is that of a company whose managers increase the level of diversification when they are entrenched, thus pursuing their own personal goals rather than value maximization, and whose level of ownership concentration is high, so as to compensate for the lack of legal protection for outside investors. Furthermore, concentrated ownership requires very high levels of insider ownership to prevent expropriation, which evidences the severity of the principal–principal conflict that may arise when investor protection is not guaranteed. Further, we find that debt and compliance with codes of good practice are negatively related to the level of diversification, as predicted by agency theory. The relationship between executive remuneration and diversification, however, is not conclusive.

In conclusion, our results confirm the theoretical relevance of agency theory in explaining managerial attitudes toward a particular corporate strategy, i.e., diversification. These results also corroborate the relevance of corporate governance mechanisms in promoting firm value maximization strategies. This is especially important in scenarios characterized by weak shareholder protection, such as civil law countries. Due to their potential deficiencies in legal shareholder protection, their concentrated ownership structures, and the higher likelihood of entrenched management, companies located in these countries should emphasize enhancement of the correct functioning of corporate governance mechanisms. Such mechanisms are regarded as effective in reducing agency costs and aligning the interests of managers and outside investors, which may guarantee both the maximization of firm value and the stability and welfare of top managers.

## **CHAPTER IV**

### **ACCOUNTABILITY AND THE POLICY-MAKING PROCESS: CONCEPTUAL AND METHODOLOGICAL ASPECTS IN PUBLIC POLICY AND EMPIRICAL EVIDENCE OF ACCOUNTABILITY IN FINANCIAL EDUCATION POLICY IN SPAIN**

#### **IV.1. INTRODUCTION**

When we talk about good corporate governance, we usually refer to listed companies, for which its compliance is capital to avoid agency problems but also for reputation matters. Still, from 2020, following good governance codes also became paramount to the public sector. Thus, to have an overall view of good governance, we should also focus on how good governance practices have been implemented in public administrations and institutions. Commonly it implies to analyze public policies and the processes, which bring to their designing, implementation and accomplishment. In fact, for public policies to be adequately implemented and evaluated by the society, it is crucial for citizens that they follow a process of evaluation of those policies and its consequent accountability. As a result, governments are nowadays expected to guarantee that citizens are able to access and calibrate the information on how public policies are undertaken as well as their value for the society. Different rules have been approved in recent years setting a new scenario for governments to comply with their own legislation.

The main focus in the context of good governance in the public sector is thus set on “accountability”. It stands for the obligation to report and explain (i) which progress has been made in a certain public administration so as to guaranteeing the rights of citizens; and (ii) which are the results of public policies built from social dialogue. Promoting citizens' trust in the public system should be one of the main objectives of accountability when referring to public administrations. For it to work out, it is capital to comply with the different stages distinguished in the policy-making process, thus, understanding and carefully executing each of the stages. Only under these circumstances, can be assure that the two basic elements of accountability (information creation and social dialogue) will be present. Therefore, any study of

accountability should accurately know the policy-making process that goes behind the policy itself.

In that sense, the current chapter attempts to explain the policy-making process, by presenting and discussing the conceptual and methodological aspects of three stages of the policy-making process, namely, the Formulation stage, the Implementation stage and the public policy Evaluation. These stages, as well as some others mentioned in the literature, will be theoretically presented in Section 2 of this chapter. Understanding how a rule is defined and applied, we may understand how governments account for and respond from them to the society.

To empirically calibrate and illustrate a recent case of accountability of public policies in Spain, and due to the relevance of the topic, we have selected the case of the financial education public policies in Spain: from the initial milestones at the outset (2008) throughout the institutionalization of Financial Education during the last decade, mainly due to the Organization for Economic Cooperation and Development (OECD) network, till the most recent hit: the last report on Financial education in Spain (dated in 2022). Therefore, Section 3 in this chapter will be devoted to present financial education as a public policy and Section 4 will show the methodology of study. According to Arcos (2020), countries exhibiting low levels of economic and financial education also have weaker economies and higher vulnerability to the effects of financial crises. Its lack, therefore, implies personal and social discomfort in the society as a whole. Indeed, Lucci et al. (2006) warn us that people lacking financial education will be more likely to make decisions that could harm the family budget and even other spheres of personal life. Regarding the well-being of society, the lack of financial education can lead to the overload of already precarious public systems, as well as the adoption of revoking public policies that may not be healthy from an economic point of view.

It was the OECD in 2005, the organism that pioneered in the promotion of financial education programs, several governments responded with the development of national financial education strategies. According to this document, in 2018 at least 59 countries, including Spain, were implementing or had already implemented national financial education strategies under the OECD principles and recommendations.

Gamboa *et al.* (2019) highlights that nowadays citizens are social subjects generally involved with the new global society trends, so a bad management of their personal finances ends up being a challenge for the society as a whole. Thus, a sound knowledge of the financial system and the use of multiple financial instruments and tools are increasingly necessary to face an increasingly diverse and complex set of financial services and products; thus, ending up giving greater importance to a better financial education of the individual and the society. Different sources also set that financial education should be promoted regardless the country where a citizen lives, since it is relevant for the global community.

In Spain, the strategy for improving citizens' financial education began in 2008 defined and promoted coordinately by the Bank of Spain and the CNMV (Spanish financial markets supervisory commission) with a provision to carry out different initiatives for the promotion and development of the Spanish Financial Education Plan. After the first plan, other three editions have been implemented; the most recent started in January 2022 and will expire in 2025.

These plans constitute a whole piece of public policy to which government have addressed a lot attention and where we may detect several policy documents since 2008; making it a proper example for the study of the formulation process and the accountability of a policy-making process in Spain. To check how policy efforts drive effective actions is a way of calibrating the good governance in the public sector, which is the object of this Chapter.

To empirically testing the accountability of financial education policies in Spain, we proceed to performer a qualitative analysis of the accountability of the three financial education plans whose accountability reports have already been published in Spain, understanding that, as a public policy, it is articulated with different dimensions, as presented by Dourado and Oliveira (2009). To be able to empirically producing results from qualitative raw data, we applied the software Nvivo, which likely represents the most accurate instrument for social studies based on qualitative data. Our aim is thus to measure the accountability of the three editions of the plan already accounted for, measuring what has been done so far by the financial education plans in their role of guiding and supporting the execution of actions. Specifically, we pursue a *content analysis* with the purpose of developing a typology of the accountability

documents found on the public policy of Financial Education carried out by the Spanish government.

Our results indicate that financial education implies a policy-making process which it is still in a very initial moment, where only recommendations have been approved, apart from the compulsory inclusion of financial contents in the Primary Education Law. The accountability reports already published are mainly informative and explicative, never focused on enforcement, which determines that we can conclude that accountability is substituted by answerability in these reports. The coordination of the different initiatives between different agents has not been easy, and there is a lack of new standards and new concluding projects with a specific purpose. Some more action is needed in the financial education arena, especially after the new inflation wave and the economic consequences of the Covid19 pandemic. Section 5 shows these results, and conclusions are shown in section 6, together with the implications of the study on society.

The innovations contained in this chapter are three-fold: it represents the first study of accountability of financial education in any OECD country, as far as we are concerned; it is the first study that connects good corporate governance in private corporations with good governance in public policies; and, finally, is one of the first financial papers which applies to the qualitative research methodology to produce results. Finally, we are likely to be offering the first qualitative insights on how financial education public policy is designed and implemented in an OCDE country.

We also believe that we provide a significant contribution to the literature on the policy-making process. The policy-making process is a relevant topic discussed all around the world due to its sensitive implications on the quality of public service and correctness of public policies. The approaches to the topic are quite diverse and there are not big consensus in many of the topics, reason why new studies and new methodologies to address its study are always welcome. In our empirical case, we add new evidence to the issue by presenting and discussing conceptual and methodological aspects and provide new evidence on how we approach the conceptualization of public policies and how we address them methodologically.

Revising the origins and institutionalization of the financial education national strategy in Spain is also relevant and necessary to understand which movements are



being developed to satisfy the demands of society that, ultimately, seek to resolve the conflicts that generally arise in the policy arena (in this case the 2008 financial crisis).

## **IV.2 THE POLICY-MAKING PROCESS**

As highlighted by Dias and Matos (2017), the policy-making process represents a branch of interdisciplinary human thought, comprehending the description and definition of several areas of knowledge, being a means to make effective the rights contained in the laws of each country. Thus, as Bucci (2008) highlights, “the constitution does not contain public policies, but rather rights whose effectiveness occurs through public policies” (*apud* Dias and Matos, 2017, p. 15). To implement these actions, regardless of the type of governmental actors, the policy-making process will be facing several tasks which end up with the formulation and evaluation of a specific regulation.

The most common literature suggests the process can be structured in 5 steps, namely:

1. Identification of the issue
2. Setting of the agenda
3. Formulation of the public policy
4. Implementation and execution of the policy.
5. Evaluation of the public policy

We can describe each as follows in subsections IV.2.1 through section IV.2.5, in addition to subsection IV.2.6, which will deal with the end of the public policy cycle: Public Policy Accountability.

### **IV.2.1 Identification of the issue**

The first two movements of this process are mainly focused on understanding the need to adopt a public policy, thus analyzing the context and the needs of the community and addressing a rule that satisfy those needs. The first phase is the identification and definition of the issue. We define *issue* as an item or aspect of a decision which affects the interests of several actors thus mobilizing the expectations of these actors regarding the policy's results and catalyzing the conflict between them, if happened (Rua, 2009).

#### IV.2.2 Setting of the agenda

The second stage is *setting the agenda*. A policy agenda consists of a list of established priorities on which governments must address and devote their attention, while actors fight hard to include those issues which they care, usually through lobby actions (Rua, 2009). In this sense, we commonly see in the debate on public policies references to “state agenda” or “society agenda”, which would be nothing more than a list of issues that permanently concern various political and social actors. Since such an agenda is not restricted to the government interests, it is commonly called “systemic agenda”. In turn, the “government agenda” would refer to those problems specifically addressed by a government. Rua also defined the “decision agenda”, which comprises problems to be addressed in the short and medium term by the political system (including the three constituted powers, including the judicial one).

There are other relevant classifications. For instance, Souza (2006) considered that there are two types, the “systemic agenda” and the “institutional or formal agenda”. The former being more general and abstracter in scope and domain than the latter. He also defends the existence of a necessary correspondence between the priorities of both types. Although Cobb and Elder (1971) defends that there will always be a lag between them.

Different theoretical models are used to understand the process of public policy formulation, Capella (2007) focused on the governmental policy agenda (agenda-setting) and how certain topics acquire importance for the government in order to enter its agenda. Two main models can be single out: the Multiple Streams Model or MSM (Kingdon, 2003) and the Punctuated Equilibrium Model or PEM (Baumgartner and Jones, 1993). A third model, the Garbage Can Model, would be skipped of our analysis due to its less relevance in the empirical scenario.

- A) The MSM “considers public policies as a set made up of four processes: the establishment of a public policy agenda; the consideration of alternatives for the formulation of public policies, based on which elections will be held; the dominant choice among the set of available alternatives and, finally, the implementation of the decision. In his multiple streams model, the author specifically addresses the first two processes, called pre-decision stages: agenda-setting and policy formulation alternatives” (Capella, 2007, p. 88).

The model begins by developing the three flows inherent to the dynamics of the model, which essentially deals with the pre-decision stages in policy formulation. These three currents - problems, solutions or alternatives and politics - are responsible for changing the agenda and how the issues can be effectively considered by those actors in charge of formulating policies.

The first flow would be the one to discriminate which are the problems that will determine the government agenda. Kingdon defined a problem as a social situation likely to be improved by policymakers' action. The second flow, the policy stream, is the set of alternatives or solutions for a problem, where we should focus on the creativity or innovation of the idea as a solution. Finally, the third flow refers to the dimension of politics itself, and it is three-fold: the "national mood," organized political forces, and changes within Capella's own government (2007). It is relevant to recall that "in certain circumstances, these three currents, problems, solutions and political dynamics, come together, generating an opportunity to change the agenda. At this point, a problem is recognized, a solution is available, and political conditions make it the right time for change, allowing convergence between the three currents and allowing issues to be elevated to the agenda" (Capella, 2007, p. 95).

And last but not least, a crucial issue to reach the agenda are the actors in the policy-making process. Two large groups can be highlighted: (i) government - the President or Primer Minister, senior officials and career officials, diplomats, elected and appointed politicians, parliamentarians, legislative officials and members of the Judiciary, governors and mayors of the states, public companies and various government organizations – and (ii) non-governmental actors (Rua, 2009). Kingdon (2003) also use the concept of visible actors – who receive the attention of the press and the public, such as the president, people appointed by him in high positions in the government bureaucracy, as well as actors in the Legislative Branch and collective interests, participants in the electoral process, media and public opinion - and invisible, such as public servants, interest group analysts, parliamentary advisors, academics, researchers and consultants who have predominant influence in the generation of alternatives and solutions.

- B) The PEM, Punctuated Equilibrium Model attempts to create a mechanism that allows sound analysis both in periods of stability and in periods of high volatility

and uncertainty since “public policy is characterized by long periods of stability, interrupted by periods of instability that generate changes in previous policies” (Baumgartner and Jones, 1999 *apud* Gelinsk y Seibel, 2008). In that sense, “several case studies developed by Frank Baumgartner and Brian Jones (1993) corroborate Kingdon's (2003) idea that solutions and problems follow different paths.” (Capella, 2007, p.114).

#### **IV.2.3 Public Policy Formulation**

The third phase of the process is characterized by the development of alternatives, or Public Policy Formulation, which comprises programs, plans and actions which represent different alternatives. This stage is previous to the decision-making step and implies the consideration of the public demands as the raw data for the design of solution. As noted by Arretche (2001), this phase actually involves a great negotiation process that would end up providing a final design (which is not necessarily the most appropriate, but rather the result of the consensus between different actors, whose demands should be compromised).

Viana (1996; p. 13) proposed to structure the formulation phase into three sub-phases: (a) converting a mass of big data into relevant information”; (b) combining values, ideals, principles and ideologies with factual information to produce action-oriented knowledge; and (c) transforming empirical and normative knowledge into public actions. In turn, Gelinsk and Seibel (2008) put the emphasis on several elements which should be clearly stated in the formulation process, namely, (a) the discussion on the conception of the State, (b) the identification of policy makers –political networks and arenas- and, (c) how the relevant issues entered the agenda.

All these factors taken together, different Public Policy Formulation Models are defined. These models help us better understand how and why the government does or fails to do a specific action which affect the lives of citizens.” Actually, the literature highlight some instruments such as the “incremental model”; the "rational understanding model" or the "combined exploitation model”.

Rua (2009; p.9-10) defines the incremental model by Lindblom as a model that involves the gradual solution of the problem, always avoiding the introduction of major changes and disruptions. On the other hand, the comprehensive rational model

by Simon presents both greater scope and resources allocated, and is focused on the rationality of the decision-makers. Finally, the mixed model defined by Etzioni implies a mixed of both and the recognition of different kind of decisions, defining structuring decisions versus ordinary decisions.

We will skip from our analysis the decision-making movement, which also focuses on the *non-decision* process, that is, when an alternative solution is disregarded when it is technically or politically unviable (Rua, 2009, p. 10) and recall us that quite often democratic governments do not possess total freedom in the allocation of public resources.

#### **IV.2.4 Public Policy Implementation and Execution.**

This fourth phase, also known as the bureaucracy stage, refers to the moment in which a policy is programmed and should be substantive into a set of events and activities (Rua, 2009). This is a crucial moment, where Silva and Melo (2000) observe that its implementation will explain government's failure or success to achieve its intended objectives. Thus, it could be considered as the missing link between government efficiency and effectiveness.

The starting point in this phase is the identification of the intensiveness of the implied changes and the degree of consensus on pursuing the policy objectives. Meter and Van Hom (1975, *apud* Viana, 1996) stated that the more changes implied, the higher the conflict between agents. That is, change and consensus are inversely proportional during the public policy implementation process. It requires a close relationship between formulators and implementers, and the willingness of the implementers to carry on with a public policy will be directly proportional to the understanding of that policy, the response (acceptance, neutrality or rejection) and their respective intensity.

Many other models stand out when we talk about the implementation stage, but Meter and Van Hom (1975) is the most relevant within those that end up making explicit the antagonistic vision of Top-down Versus Bottom-up decision making. In this sense, Najam (1995, *apud* Carvalho, Barbosa and Soares, 2010) highlights the drawbacks of those last two approaches, since the political decision could be too authoritarian in the Top Down process and it could be too complex in the Bottom-Up

approach. Apart from the Van Meter and Van Horn Model (1975) presented previously, other outstanding Top Down models could be the Edwards Model (1980) – in which four factors that interact simultaneously are identified: communication; resources; layout and structure-; and the Mazmanian and Sabatier Model (1983), which defined three main features: problem traceability; policy formulation and implementation capacity.

As to bottom-up models, we may single out, the Smith Model (1973) which focuses on the interaction process between the target group, the structure of the implementing organization, leadership capacity and environmental factors; the Rein and Rabinovitz Model (1978), with a focus on practice; Berman's Model (1978), for whom a successful implementation depends on the complex interaction between policy and institutional characteristics; the Elmore Model (1979), which comprises four different models to understand the organization which will implement the public policy, and the Michael Lipsky Model (1978), which questions the assumption of hierarchy. See Carvalho, Barbosa and Soares, 2010, for farther explanations of each model.

#### **IV.2.5 Evaluation of the public policy**

The fifth and final phase in the policy-making process is evaluation. As noted by the OECD Development Assistance Committee, the purpose of evaluation is to determine the relevance and scope of the objectives, efficiency, effectiveness, impact and sustainability of development. The concept, however, admits multiple definitions, some of them even contradictory. Ferreira (1999) stated that evaluating means determining the value of something; Ala-Harja and Helgason (2000) understand that evaluation of results guarantee better information on which basing future decisions, it could be the extreme case of accountability for a public policy. Trevisan and Van Bellen (2008) put the emphasis on the correction phase, since once the programs are already implemented are evaluated in relation to their effective impacts, the deficiencies of impact and side unwanted effects are found, future actions and programs should be determined.

This correction phase approach put the focus on the potentials, shortcomings and criticisms that this phase receives within the Policy-making process, which should drive future changes in the current policy.

That is why Faria (2005) complains on the lack of studies dedicated to the evaluation processes and methodologies. Actually Ala-Harja and Helgason (2000) considered that evaluations are frowned upon because they represent a universe of *many promises and few achievements*. Cotta (2001) understand that, despite being an important tool, it has not yet become indispensable in the policy-making process.

The above mentioned work by Faria points out possible factors that may interfere with the use of the evaluation results, reason why, we preferred focusing on the accountability rather than on the evaluation phase of the policy-making process.

Some of these drawbacks are: “the existence of conflicting beliefs and interests in the organization that administers the program; occurrence of conflicts of interest between the different units of the program; changes in personnel in charge; possible inflexibility of the organization's operating rules and regulations, which may prevent the adoption of recommendations made during the evaluation; changes in external conditions, such as budget cuts and changes in the political environment” (Faria, 2005; p. 102)

At this point, we have provided evidence on how complex and contradictory the definition of evaluation can be, and if we should highlight one, it would be that of Aguilar and Ander-Egg (1994; p. 18) which establishes that evaluation is a form of applied social research, systematic, planned and directed; which aims to identify, obtain and provide, in a valid and reliable manner, sufficient and relevant data and information to support a judgment on the merit and value of the different components of a program (whether in the diagnosis, programming or execution phase).

Finally, we highlight the words of Arretche (2001, p. 52) who states that an adequate evaluation methodology should not “concentrate on concluding the success or failure of a program, because [...] regardless of political will, ethics or in the interest of formulators and implementers, the distance between formulation and implementation is a contingency of public action”.

#### IV.2.6 The final circle: Public Policy Accountability.

It is worth mentioning that the current study does not intend to build explanatory models for the different phases or stages of public policies, on the contrary, we only focus on the Accountability of the public policy resulting from the policy-making process, thus compiling the main conceptual and methodological aspects of the above mentioned phases from an empirical point of view.

The governance model proposed by Peters (2012) takes us to the entire public policy cycle which, in turn, is permeated by the notion of public management, present in and around the entire cycle (see Figure IV.1).

**Figure IV.1 – Policy Cycle and Public Governance**



**Source: Elaborated by the author, 2023**

Thus, the entire cycle of public policies, from the definition of collective objectives, legitimately chosen by a society, to their incorporation into the agenda and a successful formulation with coherence between public policies and existence of harmony between the different actors responsible for execution, in addition to adequate conditions for the implementation of public policies, their monitoring and evaluation, which will ensure learning and continuous improvement. It will be permeated by public governance and will create the conditions for correct accountability of public policies, that involves the dimensions of transparency of public action and accountability towards society, as will be explored in the empirical part of this chapter.



Literature brings us some definitions and components of accountability, As possible definitions or synonyms, Bovens (2010) lists a few of them: "...words that evoke dimensions of accountability, such as transparency, responsiveness, accountability, trust, accountability, effectiveness, equity, and good governance, are sometimes used interchangeably as synonyms". Transparency and access to information are two of the most frequently evoked concepts, as instruments that allows citizens to understand the decision-making process and how public economic resources are used. Supervision and citizen participation are other words usually associated to accountability, in the sense that they guarantee social compromise and sanction for non-compliance with public duty.

According to Schedler (1999) and Schedler (2008), "accountability" is defined as the obligation of politicians and officials to report on their decisions and justify them in public, which suits with the concept of answerability, as defined by Hickok (1995); but, on the other hand, "accountability" should contain a dimension of *enforcement*; that is, the capability to sanction politicians and officials if they have violated their public duties.

Those two dimensions being the most relevant, however, answerability is also composed by two other subdimensions: an informative dimension (which allows to check what has been done or to be done through the mere enumeration of facts) and an explicative one, which offers reasons and forms judgments.

Other authors have also pointed out the great ambiguity both in the terminology and in the constructs when referring to accountability, which makes necessary to distinguish further dimensions. Specifically, considered that whatever they are, the informative, the explicative and the enforcement, Olvera and Isunza (2004) and Da Silva, Figueiredo Filho and Da Silva (2015) also add two more dimensions: the ontological and the mixed one. Where the ontological represents the conceptual definitions present in the financial education plan balance reports and the mixed one comprises all other relevant concept with regards to accountability that cannot be considered in the previous categories. That is why, accountability is considered sometimes similar to "a dustbin full of good intentions (Olvera and Isunza, 2004), with vague concepts that make academic analysis difficult". Pilon y Brouard (2022) stated that "words that evoke dimensions of accountability, such as

transparency, responsiveness, accountability, trust, accountability, effectiveness, equity, and good governance, are sometimes used interchangeably as synonyms (Bovens, 2007 and 2010; Koppell, 2005; Mulgan, 2000 *apud* Pilon y Brouard, 2022).

#### **IV. 3 PUBLIC POLICIES IN FINANCIAL EDUCATION**

##### **IV.3.1. Financial Education in the World.**

In recent years, we have witnessed a great evolution and transformation in the financial markets: an increase in the complexity of financial products. Allied to this complexity, Bauman (2008) points out the so-called “consumerist revolution”, where new behaviors from consumption to consumerism have a great impact on the population's indebtedness. This situation and the implosion on the 2008 crisis led many States to promote and encourage financial literacy within the population, thus producing new public policies on financial education. The OECD defines financial education as “the process through which consumers and investors improve their understanding of financial concepts and products and, through information, instruction and objective guidance, develop skills and confidence to be more aware of financial opportunities and risks, to make informed decisions and know where to seek help by taking other effective actions that improve your well-being and protection. (OECD, 2009; p. 2).

This high concern has triggered out different initiatives in recent years, being the OECD recommendations on financial education document of 2005, which has been most effective and followed by the OECD state members. Its main lemma was that financial education is an important complement to market conduct and prudential regulation, and the improvement of individual financial behaviors must be a long-term political priority term for a country. It provoked that, at the outset, as highlighted by Fernandes *et al* (2014), large investments on financial education interventions took place and economic resources were allocated for that purpose. From the beginnings in 2005 to its last report on February 2022, we observe a list of activities and public policies of up to 29 countries- which currently conformed the OECD International Network on Financial Education (INFE). The INFE aims to provide guidance on the evaluation of different national financial education strategies and promote some others. This document strengthens national financial education strategies,

understanding that these public policy projects are certainly complex, multi-year and multi-sectoral.

But we may first revise the chronology of the financial education process followed by the OECD throughout the years and analyze how it conducted research and developed the tools to support policymakers and public authorities in the design and implementation of national financial education strategies.

So, next, we present some milestones in the *institutionalization* of financial education:

1. 2012, G20 leaders approved the High-Level Principles on National Financial Literacy Strategies developed by OECD/INFE.

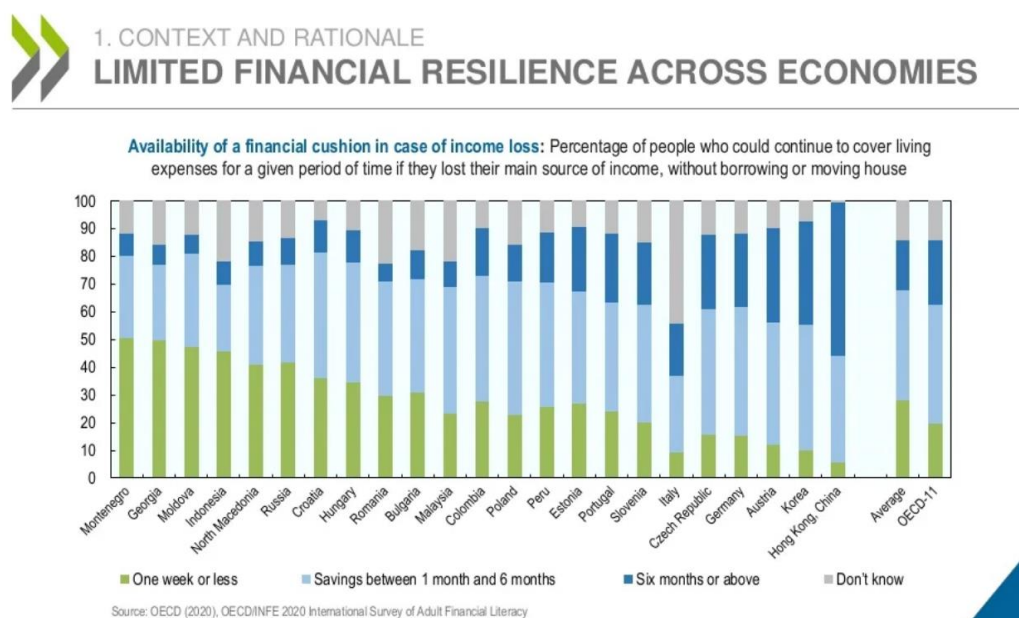
2. 2013, G20 finance ministers and central bank governors confirmed their interest in these issues and asked the OECD to prepare a progress report on the development of national strategies. The resulting joint publication of the Russian G20 Presidency and the OECD titled *Advancing National Strategies for Financial Education* tracks the progress of governments in the world's major economies in implementing national strategies to improve financial education.

3. 2015, OECD/INFE Policy Manual on National Financial Education Strategies was a continuation of the OECD/INFE High-Level Principles on National Financial Education Strategies. This handbook supports governments and key stakeholders in mature and emerging economies to address challenges related to the implementation of national financial education strategies. It provides an overview of the state of national strategies around the world, an analysis of relevant practices and case studies, and identifies key lessons learned. The policy manual also includes a checklist of actions, which is intended as a self-assessment tool for governments and public authorities. In parallel with these initiatives aimed specifically at financial education, it is also important to highlight the Program for International Student Assessment (PISA) created in 1997 by the OECD with the aim of evaluating the educational systems of member and partner countries.

4. 2020; The Ministerial Council Meeting displayed a document presenting a single and comprehensive instrument on financial education to help governments, public authorities and other interested parties. The focus was placed on how to design, implement and evaluate financial education policies, understanding that it is part of a

holistic approach to consumer financial problems. The Recommendation document specifically involves three main areas: (1) national financial education strategies; (2) financial education and the various sectors of the financial landscape; (3) effective delivery of financial education programs. It also analyzed how to address the needs of vulnerable groups, as those affected by the increasing digitalization of finance. The OECD expects that financial education, as well as higher financial access, adequate consumer protection and regulatory frameworks will support financial resilience and well-being, even in a very complicated context, as that shown in Figure IV.2 with a decreasing family financial cushion.

**Figure IV.2 - Context and Justification**



**Source: OECD. Presentation of the OECD Ministerial Council Meeting, 2020.**

It can be seen from the picture that in many countries more than 30% of the population declared that the “financial cushion” would be enough for only a week or less and a very small percentage could support six months or more if they lost their main source of income. The situation for the Spanish case was not much better, as shown in the “Financial Competencies Survey” published by the Bank of Spain in 2016.

With respect to academic research on financial literacy, the greatest contribution in Europe is that of Lusardi and Mitchell (2007) where the authors observed that many households are not familiar with very basic economic concepts,

necessary to taking sound decisions on financial matters as family budget, savings, retirement, mortgages, financial or real investments. The lack of personal financial planning and the insufficient accumulation of retirement savings perceived from surveys carried out in developed countries were related precisely to these low levels of education and financial literacy. Similarly, Van Rooij, Lusardi and Alessie (2009) suggested that households do not usually have the habit of planning for retirement (1 out of 8 individuals) for a sample of Dutch households.

More encouraging, however, was the study by Lusardi et al. (2014) who experimentally evaluated the effectiveness of online programs to train people on risk diversification, a complex topic in personal financial education. Warwick and Mansfield (2000) observed that delinquency had lower levels among those who had some type of financial skills when contracting a loan; while Hilgert, Hogarth and Beverly (2003) observed a correlation positive between financing education and saving for investment; Hira and Zorn (2001) and Roberts and Jones (2001) observed such correlations for the case of the use of credit cards; Bernheim and Garrett (2003), for social security products; and Sabri and Macdonald (2010), observe how financial education acts as a social elevator, thus positively impacting on professional success.

Thus, from the studies analyzed, a positive correlation can be observed between financial education and the well-being of individuals, which contributes to give rise to the formulation of public policies promoting financial literacy. According to Dye (2013), once these public policies are issued and applied, their evaluation would calibrate the degree of achievement of the proposed results and the economic and social cost occurred. It would be also crucial to use the possible feedback, since the evaluation has the potential to identify resulting problems and to adapt the policy-making process.

## **IV. 3 2 Financial Education in Spain**

### ***IV. 3.2.1 Education initiatives, public actors and arenas***

In Spain, the development of financial education initiatives combined public and private collaboration, since a huge part of the effort on providing financial skills into the society came from banks and the financial system in general (financial

institutions such as the Spanish Banking Association (AEB<sup>21</sup>), the Spanish Confederation of Savings Banks (CECA<sup>22</sup>), the National Union of Credit Cooperatives (UNACC<sup>23</sup>) and Fundación MAPFRE). However, the relevant role played by the public sector (object of our analysis) has been two-fold. On one hand, (i) the actions promoted by the Ministry of economic affairs and its satellites (Bank of Spain, CNMV and Insurance Commission-DG de Seguros) and the Entrepreneurship Law in 2017, which incorporate measures to increase the financial literacy in both children and adults; and, on the other hand, (2) those actions triggered by the Ministry of Education with the approval of the Organic Law of the improvement of educational quality (LOMCE<sup>24</sup>) of 2013, which, finally, led to the topic of Financial Education being more present in the educational curriculum and, consequently, having an increasingly significant reflection in the school setting. The actions from this ministry would evolve together with the incoming survey PISA financial literacy assessment starting in 2015. A recent study from European Banking Federation<sup>25</sup> (2015) shows that financial education has become a mandatory curricular content in 15 countries, among which Spain stands out.

Del Brío, López and Vereas (2015) point out that the requirements of the OECD, the LOMCE and the Entrepreneur Law were the motivation for a first proposal to incorporate simple financial content into Early Childhood Education in the form of materials and complementary readings, in addition to the integration of disciplines in the curricula. In this way, the authors encourage developing materials that would allow the integration of economic concepts in a transversal way and mainly through literacy and mathematics, making it possible to bring these concepts to early childhood education in a pioneering way.

However, in the current study, we will focus on the actions motivated by the working group created between the Bank of Spain and CNMV and which has been able to implement four consecutive financial education plans from 2008 on, which comprises the Strategic National Plan for Financial Education<sup>26</sup> with the aim of

---

<sup>21</sup> Asociación Española de Banca (AEB), in Spain

<sup>22</sup> Confederación Española de Cajas de Ahorro (CECA), in Spain

<sup>23</sup> Unión Nacional de Cooperativas de Crédito (UNACC), in Spain

<sup>24</sup> Ley Orgánica de la Mejora de la Calidad Educativa (LOMCE), in Spain

<sup>25</sup> European Banking Federation (2015). Financial Education – National Strategies in Europe. Good Practices Report, European Money Week

<sup>26</sup> Disponible en <https://www.finanzasparatodos.es>, consultado el 03 de mayo de 2022

improving financial skills in the society, guiding its actuations by some premises such as: (i) improving the financial culture of citizens, providing them with the basic knowledge and tools necessary to manage their finances in a responsible and informed manner; (2) promote impartial and quality financial education; (3) separate financial education from commercial activity; (4) adapt financial education to the target audience; (5) provide clear, truthful and accurate financial education; (6) provide a complete and free overview of the topics covered in financial education; and, (7) use simple, pedagogical language appropriate to the characteristics of the target audience. The Financial Educations Plans have the virtue of being accounted for, through the publication of the three respective Accountability Reports, which makes them very suitable for an empirical analysis. In section 4.3.2.2 we will revise some of the contents of those reports.

But, next, we would like to show some of the main hits of the financial education group, chronologically:

1. May, 19; 2008. First Financial Education Plan for 2008-2012.
2. 2018. Approval of the "Statute of Government of Financial Education Financial Education Plan"<sup>27</sup> which regulates the operation of the working group and defines the set of rules, practices and procedures applicable to its members. As a result, the Monitoring of the Financial Education Plan was created favoring the future accountability of the plans.
3. June, 2013; Second Financial Education Plan, for the period 2013-2017.
4. October 2, 2017; adapting to the requirements of Law 40/2015 the third Financial Education Plan was approved for the period 2018-2021.
5. January 14, 2022, Bank of Spain, CNMV and the Ministry of Economic Affairs and Digital Transformation (which was an observer of the group since 2008 and officially joined the working group) approved the fourth Financial Education Plan, for the period 2022-2025.

It is evident, therefore, the concern and the need to have people better prepared to make efficient decisions in investment and financing policies, which is still difficult to evaluate in Spain. Still, the accountability reports published for each of

---

<sup>27</sup> "Estatuto de Gobierno de la Educación Financiera Plan de Educación Financiera", in Spain.

these programs (unless that for the period 2022-2025, that is still in progress), may help us bring some light to the topic. In the next subsection, we present a brief summarize of the activities contained in the different plans, as shown in their accountability reports.

#### **IV. 3.2.2. Accountability Reports of the four Strategic National Plans on financial education in brief.**

In the Accountability Report for the 2008-2012 Financial Education Plan, the responsible institutions describe several actions and projects that were materialized within the scope of the corresponding public policy undertaken by the Spanish government, such as (i) the design and launch of a reference *portal* for the dissemination of financial education; (ii) the development and evaluation of a pilot program of Financial Education in the 3rd year of Compulsory Secondary Education for the 2010-2011 academic year; and 8iv) the development of teaching guides and multimedia resources to support teachers who exploit the topic in their work practice. Furthermore, the assessment of the first cycle of this Plan highlighted that its evaluation had been carried out by an external company. This evaluation, undertaken under the guidelines and recommendations of the OECD, brought interesting conclusions about how teaching and learning finance for children and young people. In this sense, during the implementation of this pilot program, there was a general improvement in the technical knowledge of the students, who also show a good attitude and reception to the received training. It was then when came up the possibility of incorporating financial education into the primary and secondary school curricula In addition, a collection of printed sheets on “Basic Family Economy Tips” was created and consumer professionals were trained in the field of financial education. Numerous collaboration agreements were also signed at that initial moment, in addition to having intensified participation and collaboration with multilateral organizations throughout the first cycle of the Financial Education Plan.

About the second Accountability Report, that of the 2013-2017 Financial Education Plan, numerous actions and projects carried out during that plan can be highlighted, such as the fundamental work of identifying the initiatives on the topic of financial education that were being developed at the time in Spain, as well as the development of a “**Code of Good Practices**” (that directly connects with our Code of Good Practices for private companies) in order to encourage convenient and soundly designed initiatives.

It was also a milestone of this Plan the decision of celebrating a “Financial Education Day”, which was set for the first Monday of each October, starting in 2016; other milestone



was the creation of the “Finance for All” Awards, to promote quality and excellence of financial education initiatives. New collaboration agreements were signed, and financial education was promoted in schools and universities in accordance with the OECD recommendations. Finally, the Financial Education Plan developed weekly microprograms titled “Clear Accounts; las cuentas claras”, devoted to informing the population about useful financial topics in their daily lives. Finally, during the execution of the 2013-2017 Financial Education Plan, international activity was promoted - with collaboration with multilateral organizations - and the “Financial Competencies Survey”, undertaken by the Bank of Spain in 2016, started to calibrate the financial education programs in society.

Finally, the latest Accountability Report available up to that moment, that for the 2018-2021 Financial Education Plan, shows the outstanding role of the collaborators, the need to promote Financial Education among specific social groups and schools, merely in line with the agenda 2030. In addition, the working group has promoted the “Finance For All” brand - and its communication strategy – and has consolidated the Financial Education Day, created in the previous Plan. Finally, the OECD recommends that different countries base their national Financial Education strategies on an appropriate identification of the educational needs of the population through the use of demographic tools, such as national surveys, that have been effectively carried out by the Spanish government.

#### **IV. 4 EMPIRICAL EVIDENCE OF THE ACCOUNTABILITY OF THE FINANCIAL EDUCATION PLAN**

In order to provide empirical evidence for the topic of Financial Education policy in Spain, and considering the different public initiatives, which are two-fold (financial education plans by public institutions and financial contents in pre-graduate education), we decided to focus on that which could be better object of analysis in the short run and whose results have been evaluated and reported by the own promoting institution. That is, the accountability reports published by CNMV and Bank of Spain for the four Strategic National Plans on financial education, which are available online in the CNMV website.

Due to the qualitative character of such reports, where quantitative data were not available, we applied to the so-called documentary analysis or content analysis, performed through the use of the software Nvivo. But prior to running such an analysis some prior information can be displayed to help understand the Spanish financial

education policy. Therefore, we first provide some of the highlights on the policy-making process of financial education in Spain and, second, we summarize the main information contained in those reports. Third, we provide the procedures and results of the content analysis.

#### **IV.4.1 The Policy-making process of Financial Education in Spain in brief. The 5 different phases.**

1. Identification of the issue: the financial literature has also provided some evidence for the Spanish context pointing out that the insufficient level of financial culture combined with other factors has triggered many problems such as over-indebtedness, low savings, inadequate use of credit products, specially credit cards, and inadequate marketing of the products,... The lack of financial education on Spain produces less protection facing financial crisis, high volatility periods and the consumption of highly sophisticated financial products. It also increases the level of systematic risk in financial and monetary markets (Ferrera and Chaparro (2016); Martínez (2017); Fernández-Larragueta, Almagro-Lominchar and Fernández Sierra (2019); Ferrada *et al.*(2020); Domínguez *et al.*(2022). Thus, new efforts on increasing financial literacy were needed, thus justifying the existence of a Policy-making process on Financial Education in Spain.
2. Setting of the agenda: different public policy actors address different measures for the promotion of financial education in Spain. The main actors and their actions can be outlined as follows:
  - (i) the combined actions of Bank of Spain and CNMV (with the late addition of the DG de Seguros and the own Ministry of Economic Affairs and Digital Transformation) with the approval of four different Strategic National Plans on financial education; different universities have joined the working group as collaborators of the plan.
  - (ii) Central government and CCAA in the approval and implementation of education laws which have incorporated economic and financial contents in the curricula of both primary and secondary education;

- (iii) Financial institutions and intermediaries, which use financial education as a way of reducing systematic risk and improving the financial knowledge of future bank clients.

Out of the three set of actors, the last one represent private initiatives which are not included in the Policy-making process, since the private sector has not been rewarded by actions in this concern, although some are also collaborators of the plan.

3. Formulation of the public policy: the main pieces of evidence of such formulation are the above-mentioned educative law, LOMCE, and a national plan for financial education.
4. Implementation and execution of the policy: Regarding the educative law, different CCAA have adopted the national law with different degree of accuracy. However, it is not the object of our study due to the diversity of information resources and the difficulty to capture the data. The reports on PISA financial literacy assessment, however, can give some fresh evidence on the results, although it is still too soon to get definitive conclusions. The next report, due in 2024 would help to increase our knowledge.

Quite different is the information available for the Strategic National Plan on financial education, which has been active through time and is comprised of four editions since 2008 till 2022, for each of which public information is available.

5. Evaluation of the public policy: the public actors have presented evidence of the effectiveness of the plan as an accountability report; in the presentation of each plan that accountability report is published for the previous time period plan.

The way the different actors have implemented and executed their different initiatives for promoting financial education have not been object of academic research. However, the current paper would focus on analyzing the way the four Strategic National Plans on financial education have been executed and how their promoters have accounted for them. To do so, we would analyze the Accountability Reports published by the own Bank of Spain and CNMV for each plan.

As described in Section IV.2, we would focus on Schedler (1999) and Schedler (2008) dimensions for accountability (answerability and enforcement of the law), as well as the ontological and mixed dimensions.

#### **IV.4.2 Content analysis of the four editions of the Strategic National Plan on financial education**

To provide evidence on the accountability of the Public Policy on Financial Education, we perform a content analysis of the three Accountability Reports available (those from the plans running from 2008 till 2022, since for the current plan, 2022-2025, the Accountability Report is not yet available).

Those Accountability Report documents for the first three editions of the Financial Education Plan in Spain are some sort of balance document incorporated at the end of the next period plan. For the 2008-2012 Financial Education Plan, we use the balance sheet data present in the 2013-2017 Financial Education Plan; and so on (the accountability of the 2013-2017 Financial Education Plan is presented in the 2018-2021 Financial Education Plan and the 2018-2021 Financial Education Plan Accountability report is in the 2022-2025 Financial Education Plan). For the Plan 2022-2025 the Accounting Report would be published after 2025, once a new, future plan gets approved.

**Table IV.1. Empirical research desing**

Technique	Content analysis
Procedures	Frequency words distribution, (2) word cloud, (3) cluster analysis, and, above all, (4) categorization and codification to gauge the typology of the reports.
Documents	For the 2008-2012 Financial Education Plan, we use the Accounting Report contained in the 2013-2017 Financial Education Plan report; For the 2013-2017 Financial Education Plan, we use the Accounting Report contained in the 2018-2021 Financial Education Plan report; For the 2018-2021 Financial Education Plan, we use the Accounting Report contained in the 2022-2025 Financial Education Plan report.
Resources:	CNMV (2013) CNMV (2018) CNMV (2021)

As we have already mentioned, the selected methodology is that of content analysis, produced by the software Nvivo. Content analysis allows to getting accurate and statistically valid inferences from documents and texts which, otherwise, could not be objet of systematic analysis and social research due to the limited human capability to capture all the relevant details. So, we need qualitative techniques which allows to rigorously read and extract data from the texts and documents with scientific validity and consistency.

Thus, using systematic methods, we would attain consistent inferences. NVivo helps us by organizing and categorizing text information identifying correlations, tendencies, systematic analysis, and a fast evaluation of the data. We would use it to determine the typology behind the Accounting Reports for the three selected financial educations plans. To accurately performing such a content analysis, we will follow the procedures shown in Bardin (2016). We should recall, however, that the use of statistical programs do not replace the skills and the responsibility of the researcher when codifying the data or when drawing sound conclusions.

Therefore, our content analysis is designed through the following stages: (i) pre-analysis (selection of data resources, texts and documents); (ii) material exploration (revision of the selected dimensions through the data sources), and (iii) data processing (drawing inferences and conclusions).

- (i) In the pre-analysis phase, the researcher selects the documents and formulates the research question. For our specific empirical analysis, the documents are the Accountability Reports of the Financial Education Plans in Spain (as already described) and the research question posed is *how are the accountability reports structured, which is their typology and how effective they are as accountability mechanisms?*
- (ii) The second stage, material exploration, consists on exploring the material and coding the data. This is, undoubtedly the biggest challenge in the analysis, since it comprises the construction and categorization (through the selection of dimensions and their codification) of the selected documents. For this purpose, it is crucial to work with a proper definition of accountability and a distinction of its different components. For this purpose, in our empirical analysis we use a mix system. We combined those

dimensions set up by Schedler (1999; 2008) and those by Olvera and Isunza (2004). From the latter, we analyze the mixed and the ontological dimensions; and from the former, we analyze answerability and enforcement; where answerability still includes two sub-dimensions: an informative dimension (which allows to check what has been done or to be done through the mere enumeration of facts) and an explicative one (which offers reasons and forms judgments). Thus, somehow, we follow the *garbage can* methodology, for which, due to the huge difficulty of identifying some concepts, since some words and items are somehow ambiguous, we should consider other categories which help us discriminating the conceptual nature of the terms in the Accountability Reports.

Thus, we will be analyzing five categories, as shown in Table IV.2: the informative and the explicative dimensions (both contained in answerability); enforcement; ontological and the mixed one.

**Table IV.2 – Accountability Categories in the Financial Education Plans Accountability Reports**

<b>Dimension</b>	<b>Description</b>
Informative (Answerability, 1)	What has been or will be done, through the enumeration of facts
Explicative (Answerability, 2)	Offers reasons and forms judgments
Enforcement	Punishes what is wrong by penalizing or punishing
Ontological	Conceptual Definitions
Mixed	Aspects that are not necessarily framed in the previous dimensions

**Source: Elaboration by the author**

- (iii) When drawing inferences and conclusions, Bardin (2016) warns us that it is important to guarantee systematic training with coherence of coding so that the same information is not categorized into different subgroups. Otherwise, we may yield inconsistent inferences. In that sense, the present investigation has been carefully approach the categorization process in the three accountability reports analyzed.

As to the empirical development of the content analysis, we have applied to several analysis techniques both from a quantitative perspective (using procedures such as frequency of words) or qualitative (when the analysis of certain analytical categories will be the main objective). For the current investigation, we applied those tools presented by Nvivo, which are suitable and appropriate for exploring our materials, thus allowing us to produce four different sets of analysis, such as word frequency, cluster and cloud analysis, and categorization, as shown in the next section.

## **IV. 5 RESULTS**

We have thus performed a content analysis technique applied to search for information on accountability from the Accountability Reports documents of the Financial Education Plan 2008-2012, Financial Education Plan 2013- 2017 and Financial Education Plan 2018-2021 belonging to the Strategic National Plan on Financial Education of the Spanish Government. By doing so, we may identify (i) how the reports are structured, based on constructs already defined in previous literature, and (ii) which is the typology of the Accountability Reports and how they provide accurate accountability. For this purpose, we have used procedures such as (i) frequency words distribution, (2) word cloud, (3) cluster analysis, and, above all, (4) categorization.

### **IV. 5.1 Frequency Distribution**

By analyzing the most frequent words and how they change from our Accountability Report to the next ones, we may draw different conclusions on how the initial version of the plan succeeds or fails to update to new financial concepts and economic settings; how their objectives broaden or narrow; which are the main achievements and prospects and how the public institution communicate it.

Our main results indicate that, as expected, “education” and “financial” are the most frequent words in all the reports. But we would focus on some other relevant features that can be brought to light when carefully and individually analyzing the balances of the Financial Education Plan 2008-2012, Financial Education Plan 2013-2017 and Financial Education Plan 2018-2021.

In that sense, Tables IV.3 to Table IV.6 display the 15 most frequent words of each of the plans; while the analysis of the word cloud (Figure IV.3 to Figure IV.6) allows a more deductive way of inferring conclusions on the accountability function. We will first analyze the tables of most frequent words.

Table IV.3 below details the 15 most frequent words in the accountability report of the National Financial Education Plan 2008-2012:

**Table IV.3 – The 15 most frequent words in the accountability report of the National Financial Education Plan 2008-2012**

<b>Word</b>	<b>Count</b>	<b>Weighted percentage (%)</b>
Education	32	3,42
Financial	19	2,39
Collaboration	13	1,57
Stocks	12	1,35
Plan	12	1,32
Portal	11	1,26
Participation	14	1,24
Agreement	9	1,13
Development	12	1,13
Objectives	10	1,07
Consumers	8	1,01
Financial	8	1,01
Program	8	1,01
Student	7	0,88
Economy	7	0,88

Source: By the author. NVivo software

As well as for the rest of the reports, the most frequent words in the first Accountability Report of the National Financial Education Plan 2008-2012 are “education” with a weighted percentage of 3.42% and “financial”, with a weighted percentage of 2.39%; letting clear the purpose of the Plan. Some relevant information comes from the next most relevant words, such as “collaboration” (1.57%), “portal” (1.26%), “participation” (1.24%) and “agreement” (1.13%); as well as “consumers” and “program” (both, 1.01%), and “students”(0.88%). As we may notice, in this first stage, the aim of the Plan was presenting itself. Letting other public and private actors, either



national or internationally, know that a new plan (mainly digital, as denoted by the word “portal”) was being launched and was looking for collaboration, participation and agreement with other peers. “Consumers” appear more frequently than “students”, but still, it was relevant that the plan wanted to get involved with the education department sooner or later. The need of a later accountability already was present in the report where words “development” (1.13%) and “objectives” (1.07%) play their roles.

Some changes can be detected by analyzing the accountability report of the National Financial Education Plan 2013-2017. In addition to the first two words, common to all reports, we find in better position words such as “program” (with a weighted percentage of 1.3%), “plan” (1.2%) and “students” (1.12%). Words such as “information” (1%) and “initiative” (1.48%) become very relevant. But the main contribution to the list is probably the word “savings” (1.34%), which reflects the increasingly worries about the financial cushion of the population; and the word “evaluation” (0.9%) which was not yet considered in the first Accountability Reports and which reflects the own worries of the plan promoters, who start being aware on the need of getting their plan evaluated.

The rest of the words talk a lot about their targets: “knowledge” (0.86%), “development” (0.81%), “collaboration” (0.75%), “competition” (0.73%) and “activities” (0.6%). Thus, the new activities claim for competition as a way of increasing the diffusion of financial education (the “Finance for All” award being a proof of such intention) and keep on looking for external collaborators.

**Table IV.4 – The 15 most frequent words in the accountability report of the National Financial Education Plan 2013-2017**

<b>Word</b>	<b>Count</b>	<b>Weighted percentage (%)</b>
Education	205	4,23
Financial	168	3,83
Initiatives	85	1,48
Saving	59	1,34
Program	57	1,3
Plan	61	1,2
Students	49	1,12
Information	83	1

Financial	40	0,91
Evaluation	51	0,9
Knowledge	45	0,86
Development	72	0,81
Collaboration	34	0,75
Competency	33	0,73
Activities	30	0,6

Source: Elaborated by the author using NVivo software

Finally, the Accountability Report for the third edition of the plan, the National Financial Education Plan 2018-2021, shows very little difference respect to the previous one; repeating some words such as “collaborators” (with a weighted percentage of 1.74%), “plan” (1.74%), “ finance” (1.41%), “program” (.22%), “initiatives” (1.16%). The main modifications being the use of “public” (1.1%) , “competence” (0.87%), “data” (0.74%) and “management” (0.73%), which proves a higher attention to the quantification of the results of the program and a need to incorporate a managerial approach in the promotion of financial education as well as in the improvement of financial skills in the public, the society as a whole.

**Table IV.5 – The 15 most frequent words in the accountability report of the National Financial Education Plan 2018-2021**

Word	Count	Weighted percentage (%)
Education	99	5,35
Financial	79	4,59
Collaborators	31	1,74
Plan	34	1,74
Finances	26	1,41
Program	21	1,22
Initiatives	32	1,16
Public	31	1,1
Objective	28	1,07
Knowledge	19	0,97
Competency	15	0,87
Financial	15	0,87
Data	16	0,74
Management	13	0,73
Activities	12	0,7

Source: Elaborated by the author using NVivo software

Considering the three plans all together, it is crystal clear that “financial” and “education” were always the words that stood out at all times. In this sense, it is worth highlighting those words that go beyond the main target of the Plan and which appear in various reports, such as “initiatives” (1.1%), “collaboration” (1.00%), “savings” (0.97%), “contents” (0.94%), “students” (0.94%), or words that being very relevant, do not appear in the final accumulative table, such as “competency” (0.81%). It would be interested to check the next Accounting Report (when it comes available not sooner than 2025) to calibrate if the acquisition of financial skills and financial competencies have become paramount, especially for our younger and senior population (third age and digital skills have become a real problem after the pandemia).

**Table IV.6 – The 15 most frequent words in the accountability report in the National Financial Education Plans in Spain from 2008 to 2021**

Word	Count	Weighted percentage (%)
Education	336	4,01
Financial	266	3,54
Plan	107	1,24
Initiatives	126	1,1
Program	86	1,1
Collaboration	78	1
Savings	73	0,97
Contents	102	0,94
Students	67	0,89
Public	108	0,87
Information	125	0,85
Financial	63	0,84
Knowledge	74	0,81
Course	89	0,79
Objectives	89	0,74

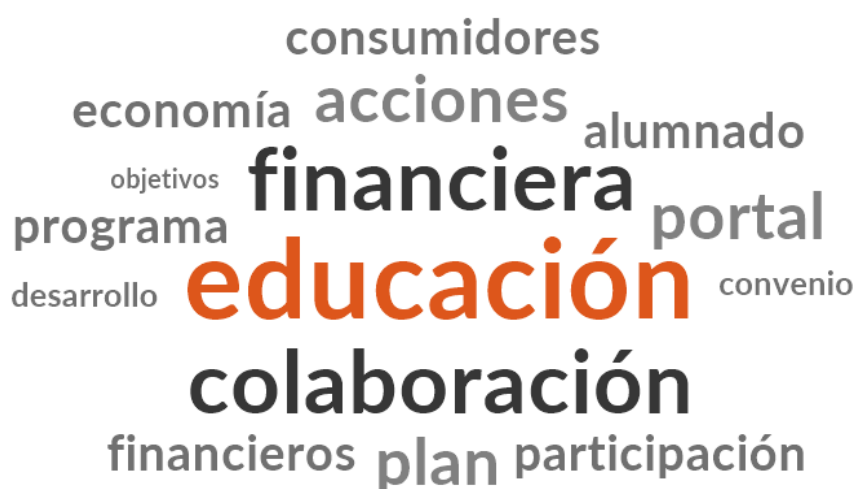
Source: Elaborated by the author using NVivo software

#### IV. 5.2 Cloud Analysis

The word cloud, being a graphic representation which provides straightforward conclusions in a fairly deductive visual way, facilitates the identification of the most significant words in a given context at one look. In that sense, the Accountability Report for the National Financial Education Plan 2008-2012 produces a cloud with a

king size for “education” and “financial”, but other words also catch our attention: “collaboration” and “actions”. We find it very convenient since it was a report released for the pioneering Financial Education Plan in Spain, which sought for agreements, actions and participation that could carry out the public policy that was just been born in the country at that time.

**Figure IV.3 – Cloud models of the most frequent words in the accountability report of the National Financial Education Plan 2008-2012<sup>28</sup>**



**Source: NVivo Software**

For the word cloud of the Accountability Report of the National Financial Education Plan 2013-2017, we can highlight some new words: “evaluation”, something very relevant for a Plan that was achieving greater solidity at that time. Closely related to evaluation, we find “information”, which is keystone for promoting financial education to the society but it is also paramount for the public institutions to be able to get that evaluation in the short run. “Collaboration” was a basic word in the first report and it is as relevant in the second, proving the need of getting new collaborator to get a broader diffusion of financial education.

<sup>28</sup> These words in the cloud are from the original accountability document analyzed and translated as: Educación as Education; Financiera as Financial; Colaboración as Collaboration; Acciones as Stocks; Plan as Plan; Portal as Portal; Participación as Participation; Convenio as Agreement; Desarrollo as Development; Objetivos as Objectives; Consumidores as Consumers; Financieros as Financial; Programa as Program; Alumnado as Student ; Economía as Economy.

**Figure IV.4 – Cloud models of the most frequent words in the accountability report of the National Financial Education Plan 2013-2017<sup>29</sup>**



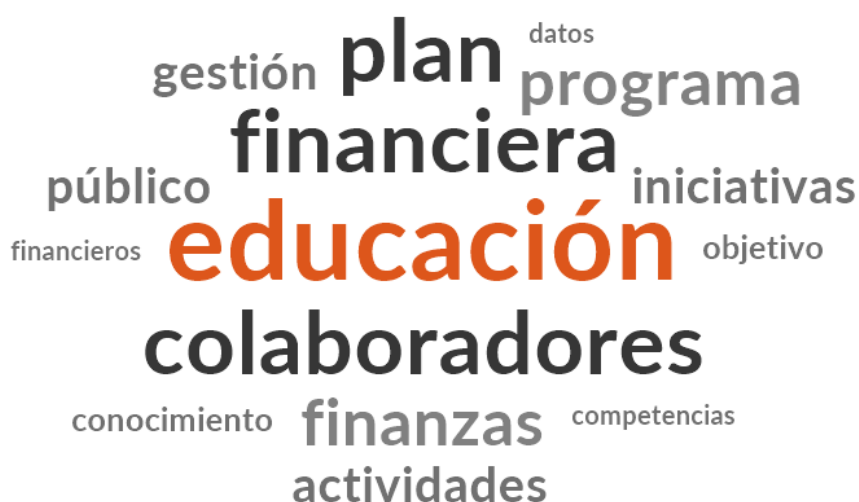
Source: NVivo Software

Finally, the word cloud for the Accountability Report of the National Financial Education Plan 2018-2021, shows some similarity to the previous ones, but other words became relevant, such as “management” and “data”, which gain special importance, which can be interpreted as concepts inherent to the evolution of this public policy and its value for central governments today and, specifically, for the Spanish government. After all, big data and artificial intelligent started to come up in many topics from 2020 on.

---

<sup>29</sup> These words in the cloud are from the original accountability document analyzed and translated as: Educación as Education; Financiera as Financial; Iniciativas as Initiatives; Ahorro as Saving; Programa as Program; Plan as Plan; Alumnos as Students; Información as Information; Financieros as Financial; Evaluación as Evaluation; Conocimiento as Knowledge; Desarrollo as Development; Colaboración as Collaboration; Competencia as Competency; Actividades as Activities

**Figure IV.5 – Cloud models of the most frequent words in the accountability report of the National Financial Education Plan 2018-2021<sup>30</sup>**



**Source: NVivo Software**

The word cloud resulting from the analysis of the accumulated reports, covering the whole period from 2008 to 2021, highlights other interesting issues such as “program” - all public policies are generally concretized by programs -, “collaboration” - something inherent to the model that public policy was made in Spain - and “savings”, basic content when we talk about financial education and which clearly identify “family units”. In any case, it is worth highlighting that the diverse length of the various reports throughout the years may provoke disadjustments when performing the joint analysis of three documents.

---

<sup>30</sup> These words in the cloud are from the original accountability document analyzed and translated as: Educación as Education; Financiera as Financial; Colaboradores as Collaborators; Plan as Plan; Finanzas as Finances; Programa as Program; Iniciativas as Initiatives; Público as Public; Objetivo as Objective; Conocimiento as Knowledge; Competencias as Competencies; Financieros as Financial; Datos as Data; Gestión as Management; Actividades as Activities

**Figure IV.6 – Cloud models of the most frequent words in the accountability report in the National Financial Education Plans in Spain from 2008 to 2021<sup>31</sup>**



Source: NVivo Software

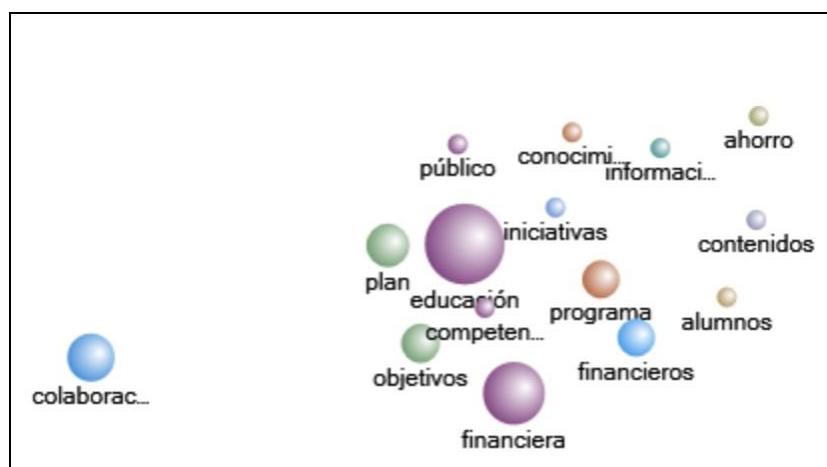
#### **IV. 5.3 Cluster analysis**

A cluster analysis is a statistical technique of exploratory interdependence that allows cases or variables to be grouped into homogeneous groups based on their similarity (Hair, Black, Babin, Anderson and Tatham, 2009; Fávero and Belfiore, 2009). In our specific case, we find extremely relevant to visualize semantic patterns and grouping nodes that share similar attributes to calibrate which were the main attained objectives of the plans for which the public institutions involved are providing accountability. Words that appear together are more similar than words that appear separately and some lessons may be derived from that grouping according to which of them were attained.

---

<sup>31</sup> These words in the cloud are from the original accountability document analyzed and translated as: Educación as Education; Financiera as Financial; Colaboradores as Collaborators; Plan as Plan; Finanzas as Finances; Programa as Program; Iniciativas as Initiatives; Público as Public; Objetivo as Objective; Conocimiento as Knowledge; Competencias as Competencies; Financieros as Financial; Datos as Data; Gestión as Management; Actividades as Activities

**Figure IV.7 – Cluster analysis of the words in the accountability report in the National Financial Education Plans in Spain from 2008 to 2021**



Source: NVivo Software

Figure IV.7 illustrates the approximation of words in the accumulated version of the three Accountability Reports of the National Financial Education Plans in Spain from 2008 to 2021. There are several interesting issues to highlight at the view of the resulting patterns. In that sense, “education” and “financial” appear in the same group and are intermediated by “competencies”. Words like “plan”, “objectives”, as well as “knowledge” and “programs” are in the same group and intermediated by “financial institutions” and “initiatives”. Therefore, the instruments always appear mediating the objectives of the activities. “Savings”, as a concept, is further away at the same time as it is closer to “students” and “information”. Thus, it shows a complete picture of how financial education and information enhance a better financial cushion. Finally, it is interesting to highlight the word “collaboration”, which is far from that large group, and encloses itself in the sense of being a concept that goes beyond being specific to that public policy.

#### **IV. 5.4 Codification and Analytical dimensions.**

The greatest contribution of content analysis is the so call codification and study of the analytical dimensions.

As mentioned above, *accountability* is an obligation of entities and public servants to report and explain what has been the progress of their management and

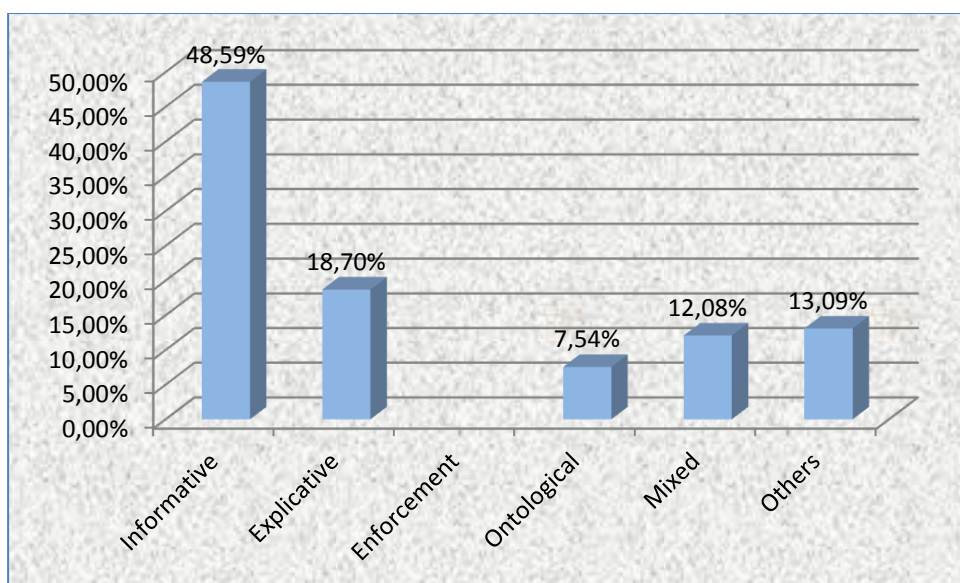


the result of the public policies they have carried out (either exclusively or in collaboration with other entities), and doing so they should provide information and respond for the observed progress in guaranteeing the rights to citizens.

For this purpose, the researcher should categorize and codify the relevant terms from a document. In our case, we follow the already presented dimensions, i.e. (1) informative, (2) explicative, (3) enforcement, (4) ontological and (5) mixed, as we showed in Table IV.2 in previous sections.

For each dimension, we produced a codification which throws us the following results. Thus, the distribution of the analytical dimensions for each Accountability Report is shown in the next graphs (Figure IV.8 to Figure IV.11).

**Figure IV. 8 – Distribution based on the analytical dimensions in the accountability report of the National Financial Education Plan 2008-2012**

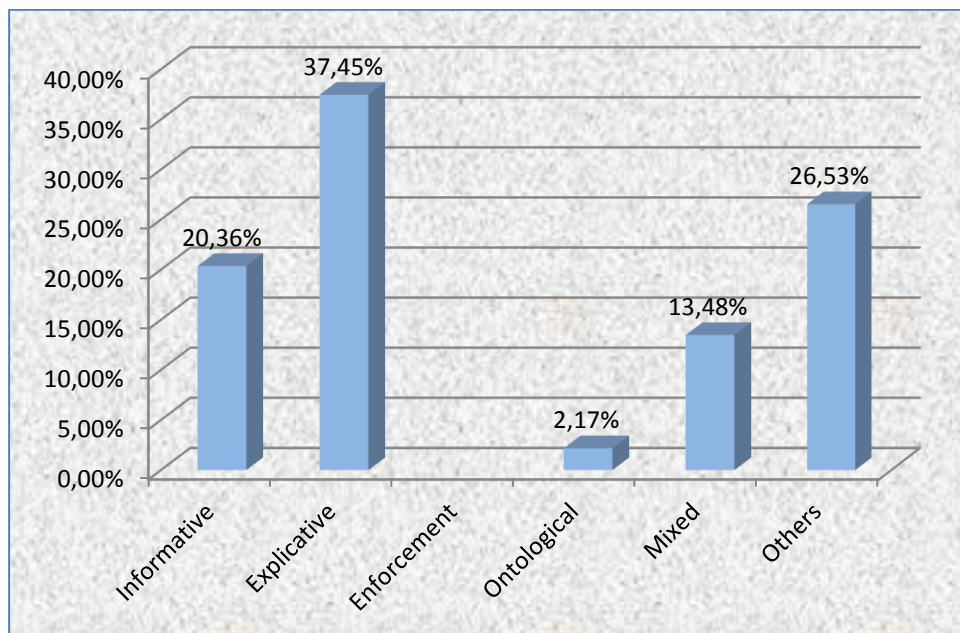


Source: Elaboration by the author using NVivo software

According to the analytical dimensions, the Accounting Reports of the National Financial Education Plan is characterized by a 7.54% of information that could be interpreted as *Ontological*, that is, informations will seek to bring the concepts of the aforementioned public policy at the beginning of the document. Likewise, 18.70% were *Explicative*, while a fairly considerable part (48.59%) was *Informative*. The high presence of informative content is not unexpected, since it was the presentation of the plan and should provide as many details as possible on its existence and focus. It is

very positive that quite a relevant part (near 20%) was *Explicative*, since this dimension is somewhat persuasive, being responsible of offering reasons and forming judgments. That, the first Accountability Report was already trying to attract new followers. Finally, the 12.08% could be included in the “mixed” typology, and 13.09% would be other non-codified texts (such as titles and other various information pieces with no financial content). None representation for *Enforcement* is found, which agrees with the fact that the Financial Education Plan is merely a recommendation plan. We will focus on whether this characteristic varies through time in the next reports.

**Figure IV.9 – Distribution based on the analytical dimensions in the accountability report of the National Financial Education Plan 2013-2017**

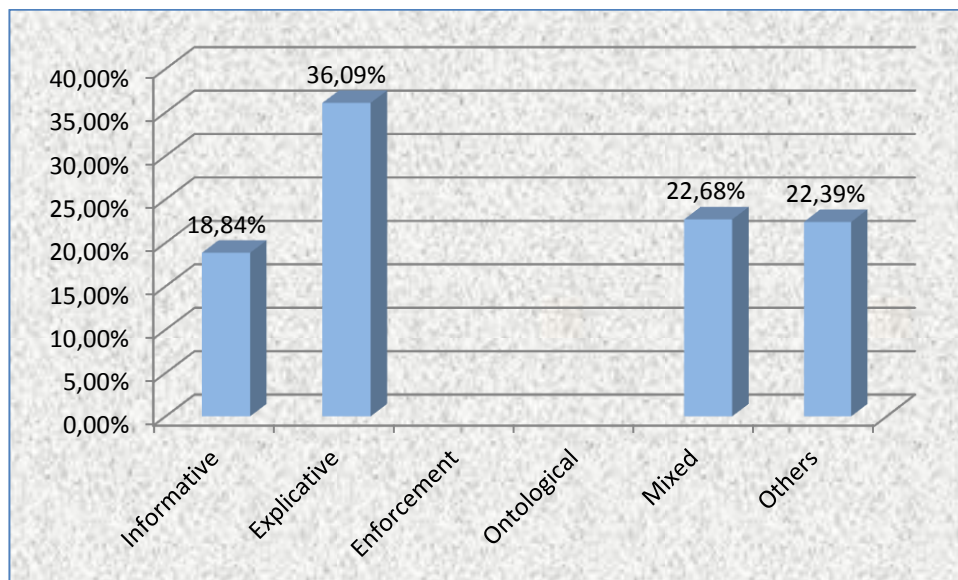


Source: Prepared by the author using NVivo software

As for the second Accounting Report (National Financial Education Plan 2013-2017), we see that only 2.17% of the information could be interpreted as *Ontological*, while *Explicative* information totals 37.45%, in contrast to 20.36% that were *Informative*. This issue is quite relevant, since represents an important change with respect to the prior report. Now, the explanations of concepts and facts is prioritized over any other dimension. Finally, 13.48% would be included in the *Mixed* typology of an accountability report and 26.53% would be other non-codified texts. This high proportion of irrelevant text does not speak well of the Plan, since *Mixed* and *Others*

categories sump up almost 40% of the text. Indeed, such an amount of non-relevant information may cover the core of the text, thus reducing the *transparency* of the Plan (a variable that it is capital for Accountability) and its effectiveness.

**Figure IV.10 – Distribution based on the analytical dimensions in the accountability report of the National Financial Education Plan 2018-2021**



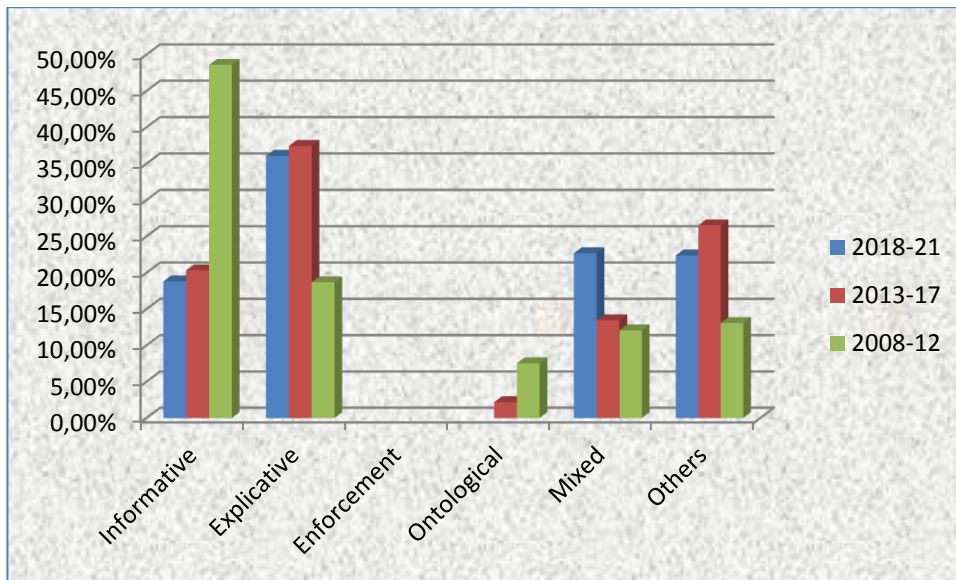
Source: Prepared by the author using NVivo software

Regarding the Accountability Report for the National Financial Education Plan 2018-2021, 36.09% of the text is assigned to the *Explicative* dimension, slightly smaller than in the second Accountability Report, and 18.84% were *Informative*, also dropping slightly from the prior report, as it happens to *Others* (passing from 26,53% in the prior report to 22,39%). Although the reduction in the proportion of *Others* is good news, still we see that *Explicative* and *Informative* have also reduced. So, where is most of the new-allocated text categorized in this third report? We see that it goes to *Mixed* (22.68%). Since, out of all three balances, this was also the one with the highest volume of text and in a very relevant phase of the implementation of the overall financial education strategy, this 22.39% of the contents ended up being classified as uncoded text is a proof of inefficiency of the plan. A proof of less *transparency* of the Plan. We have pointed out two strengths in this report through the previous analysis, such as the appearance of “evaluation” and “management” as some of the most frequent words, what seemed to imply that accountability was getting higher

relevance in the last reports. But the truth is that the transparency does not improve and, in fact, the word “Accountability” never appears (neither other words that could fit into the required typology). As for *Enforcement*, it does appear again, as it has happened for both previous accountability reports.

In figure IV.11 we can see a comparison between the analytical dimensions of the three accountability reports of the National Financial Education Plans in Spain from 2008 to 2021 which support our previous interpretations.

**Figure IV.11 – Distribution based on the analytical dimensions in the accountability report in the National Financial Education Plans in Spain from 2008 to 2021**



Source: Prepared by the author using NVivo software

What undoubtedly draws our attention in all the reports is the absence of the dimension *Enforcement*, as highlighted before. We already pointed out that the financial education plan is a public policy but is not a compulsory law. It is more a kind of set of recommended activities and initiatives. None penalization or punishment is set, and it is reasonable. Still, we may ask, apart from the current research, who else has revised the accountability reports and have asked for improvements or responsibilities?

Therefore, if the program should account for its actions and these actions should be improved through time to satisfy the society’s demands and comply with its

objectives, in which way may it be achieved? Which enforcement mechanisms could be used apart from penalties?

Peruzzotti (2008) states that the enforcement dimension and the existence of sanctions is a crucial aspect of the very idea of accountability; there cannot be accountability if the demand for responsibility does not have the capacity to generate corrections and apply sanctions. But many scholars, apart from us, have also claimed that such a dimension appears in the reports on rare occasions, as was also highlighted by the introducer of the concept, Schedler (2008). Therefore, our results confirmed the risk remarked by Peruzzotti (2008, p.6) that governments and researchers try to reduce *Accountability* to *Answerability* (“favoring a merely informative vision of accountability that ends up being practically equated with the notion of government transparency”). It would represent a very poor image of true accountability, just as for many years we also complained that the *true and fair view* of financial accounts was never achieved in real life.

In conclusion, we have seen that conceptualizing the accountability of public policies may help public institutions and governments operationalize their accountability management practices and satisfy those society’s needs that provoked the emission of a rule or the application of a specific public policy. Otherwise, without accountability our governmental structure and our laws may lack effectiveness and the sense of their existence.

#### **IV. 6 CONCLUSIONS**

The current investigation aimed to revise how new concepts of good corporate governance have been applied to the public sector in recent decades. Specifically, we analyze the new demands of accountability and the implementation of the policy-making process. We have addressed the study of the policy-making process through the discussion of the conceptual and methodological aspects of the different phases in its implementation, being aware that by following a rigorous process in public policies it will make it possible be accountable in the management and make good public governance. In this sense, after a brief introduction to the study of Public Policies, the different stages in the process of developing public policies were discussed, specifically

addressing the conceptual and methodological aspects of the formulation, implementation and evaluation of public policies.

We also analyze the different actors that design public policies. They can be governmental – politicians, political appointees, bureaucrats, judges – or non-governmental – interest groups, political parties, media, recipients of public policies, third sector organizations and other stakeholders such as suppliers, international organizations, communities epistemic, financial, specialist, among others (Secchi, 2013). These actors always interact in a complex way and their performance is directly responsible of the success or failure of the formulation and execution of a certain public policy.

To illustrate our analysis, we have revised a specific public policy which has gained relevance in Spain and for which accountability reports are available and updated: the public policy for the promotion of financial education in Spain contained in four different plans. A public policy quite recent in time (started in 2008 in most OECD countries), which is still evolving today, showing significant progress, and which is easily instrumented by means of different Financial Education Plans carried out by easily identified actors (such as the Bank of Spain, the CNMV, the Ministry of Economic Affairs and Transformation Digital, as well as other private and public collaborators). The publication of an Accountability Report for each of the previous plans on financial education allow researchers to revise three different accountability reports and thus get evidence on how financial education has been promoted in Spain since 2008 till nowadays, 2022. Thus, it represents a very convenient public policy for an empirical study on public policy *Accountability*.

Our results, drawn by content analysis, indicate that these reports mainly display features and concepts focused on two salient dimensions, such as the so-called *Informative* and *Explicative*, which are contained in the dimension referred as *Answerability*. Unhopefully we also detected that a big percentage of the contents in these reports are non-relevant information, which reduces the *transparency* of the reports since reports get larger but the relevant information does not drastically increase.

We also detect that the dimension *Enforcement* is not considered in any moment for any of the three revised reports. That is relevant because the literature

expect that those holding certain public positions should be subject to rectifications and sanctions and they should be obliged to assume responsibility for their actions when those actions or their explanations, are not convincing. That is what the dimension *Enforcement* is to embrace and indeed it is an old-times debate whether this enforcement should be guaranteed by law or let it to the individual moral ethics.

However, the absence of legally stated enforcement confirmed the risk detected in the literature: that governments and researchers attempt to reduce *Accountability* to *Answerability*, and it would be a very poor image of true accountability, just as for many years we also complained that the *true and fair view* of financial accounts was never achieved in real life. Thus, *Accountability* is treated as a mere way of good governance transparency requirement, but also the three reports fail to ensure a high transparency level.

Although that idea of the accountability associated to good governance was the first reason why it was chosen for our last chapter in this PhD dissertation), we now understand (after drawing our results) that for a public policy the requirements on transparency, answerability and accomplishment should go much further, due to the economic resources allocated to it and the need to satisfy the needs that brought the policy to life.

Therefore, one of our main conclusions is the need to ensure some vehicle to verify that the public policies have been undertaken, and that they act accordingly to planned and produced the expected good effects. The legislation on the evaluation of public policies goes in this direction and we hope it could give their results very soon.

From our analysis, we hope that it will be understood that there are many questions that permeate the entire process of public policies and accountability – and that they go beyond the methodological aspects. Many obstacles come up during the policy-making process that must be clearly addressed, from the initial agenda-setting phase to the final evaluation. But it is a must to achieve their objectives - through government actions and their different actors- of well-being for society as a whole. Always considering that we are in the case that laws are well-designed and would produce benefits for the society.

The revision of the literature, suggested the high level of diversity of concepts and methodologies and the lack of consensus both for the policy-making process and

accountability. We expect that our analysis and the selection of the concepts and constructs have helped researchers to clarify the complexity of the interactions and interdependence between the phases and movements of this process that will result in successful.

The innovations contained in this chapter are three-fold: it represents the first study of accountability of financial education in any OECD country, as far as we are concerned; it is the first study that connects good corporate governance in private corporations with good governance in public policies; and, finally, is one of the first financial papers which applies to the qualitative research methodology to produce results. Finally, we are likely to be offering the first qualitative insights on how financial education public policy is designed and implemented in an OCDE country.

As our main conclusion on the need for good public governance, let us finish by quoting Fernández (2020, p. 30) when stating that “the synthesis of the concept of ethics within the public sector leads to the principle of transparency, the duty of accountability and, by extension, the broad concept of good governance and the need to promote institutional quality”. Actually, this is the main objective of the current chapter.

Further research may attempt to complement our results by analyzing other arenas, rather than the economic one. For instance, we may produce some empirical analysis with some quantitative data from the next PISA financial literacy assessment that will be presented in May 2024. We would also like to keep on investigating the accountability of other policy-making processes in different arenas or scenarios and with more revolving or disrupting laws. However, for the present PhD dissertation we wanted to focus on the parallelism between good corporate governance codes and the accountability of public policy makers.

Our results may contribute to discussions and analysis and to produce new regulations and initiatives either for the Bank of Spain, the CNMV or the Spanish Ministry of Economic Affairs and Digital Transformation and may also give some recommendations on future actions. Actually, some more action is needed in the financial education arena, especially after the new inflation wave and the economic consequences of the Covid19 pandemic. The need to work more specifically for vulnerable groups, as the eldest and their digital and financial skills; children, who we



should accompany through all their different stages in life, starting since they are at primary school with complementary and extracurricular activities; Womens, especially widows and entrepreneurs, both in rural and urban areas. It is unexpected that, despite of the high relevance of the ODS and the 2030 Agenda, it does not appear among the most frequent words in any of the accountability reports. The initiatives accounted for are not very sophisticated or progressive for the current state of mind of our society and they scarcely involve new technologies and social media.

Another characteristic for the Spanish setting, it is the administrative division between the central government and the 17 different autonomous regions and the two autonomous cities. But the coordination among those two different arenas is not determinant in the accountability reports (something that is achieved in the educational arena, where the competencies on education are delegated to the regions). Find we neither a relevant prospector or social agent used for marketing or communication issues. The case of Holland, where their Queen, Maxima of Holland, is the promotor of the national education day, could be an inspiration for Spain.

We started comparing accountability for public policies with good governance codes for Private Corporation. We corroborate that there is a connection between them and an attempt to preserve the rights of citizens as we used to care about the rights of minority shareholders. But good corporate governance has gone far beyond accountability of public policies. A big path appears in front of us. We hope the current research has helped to bring some light in that path ahead.

## CHAPTER V

### CONCLUSIONS

La creciente importancia que ha asumido el buen gobierno en las últimas décadas, tanto sus implicaciones en las empresas privadas como públicas, han motivado la realización de la presente tesis. En ese sentido, hicimos una investigación que ha buscado abordar el tema desde múltiples facetas, desde el análisis de la gobernanza corporativa y el valor empresarial, pasando por el tema las estrategias de diversificación y su impacto en las corporaciones y, finalmente, buscando observar la rendición de cuentas en la gobernanza pública. De esa manera buscamos abordar un tema desafiador del Siglo XXI que va desde el Buen Gobierno Corporativo hasta la Rendición de Cuentas en las Políticas Públicas. Además, se ha destacado el nivel de innovación en la metodología utilizada que va desde el uso de panel de datos y la estimación de los modelos a través del Método Generalizado de los Momentos utilizando el Software Stata hasta novedosas metodologías cualitativa en el area utilizando el software Nvivo. Así, pasaremos ahora a resumir el grado de consecución de los objetivos de nuestro estudio.

Como primero objetivo se ha buscado observar los mecanismos de gobierno corporativo y su impacto en el valor de la empresa. En este sentido se ha considerado que los códigos de buenas prácticas son importantes instrumentos para incrementar la confianza en los directivos. Se ha tratado, por lo tanto, del problema de la separación entre propiedad y control y la necesidad de mecanismos de control en las empresas a fin de comprender un problema que viene siendo objeto desde principios del siglo XXI de un constante debate dado, sobretodo, a los colapsos corporativos que ocurrieron en su momento. Así se ha buscado tratar de los mecanismos de control, ya sean externos o internos, y del cumplimiento del código de buen gobierno como una forma de supervisar y mejorar el comportamiento gerencial.

Se examinó, por lo tanto, cómo las recomendaciones de los códigos de gobierno corporativo afectan el valor de una empresa, eligiendo en ese momento un país continental-europeo con un código de buen gobierno de orientación anglosajona, como es España, puesto que la literatura consideraba que los códigos de orientación

anglosajona podrían no ser adecuados para las empresas de Europa continental. Así, se ha buscado analizar el primer intento de producir un reglamento en España, que dio origen al código Olivencia, emitido en febrero de 1998 como iniciativa de la CNMV (Comisión Nacional del Mercado de Valores). Ese código, que contenía básicamente 23 recomendaciones que iban desde la regulación de la estructura del directorio hasta el comportamiento de sus miembros, buscaba asegurar la confianza de los accionistas en la gestión corporativa.

Además de los esfuerzos por el lado de la regulación, hay muchos intentos a nivel mundial para definir mecanismos adecuados de gobierno corporativo y que lleven a mejores valores de las empresas. Se ha identificado de esa manera esos mecanismos que ya habían en algún momento sido analizados en el contexto español - tales como el papel de la retribución de los consejeros, la estructura de propiedad y la mejora de la transparencia - a fin de explicar cómo el valor de la empresa se ve afectado por un conjunto de variables que en cierta manera captan el efecto de las prácticas de buen gobierno en la empresas españolas.

Así, pese que el objetivo principal del primero capítulo fue en su momento medir el impacto de los mecanismos de gobierno corporativo sobre el valor de la gestión, también han sido analizadas otras hipótesis, como los efectos de los informes de auditoría, la política de transparencia de una empresa, la retribución de los consejeros y el tamaño de una empresa. Para la determinación de la idoneidad del código Olivencia, fue utilizado el grado de cumplimiento de cada recomendación del código Olivencia y su poder explicativo sobre el valor de una empresa a través de un análisis discriminante para determinar los efectos sobre el valor de una empresa de cada recomendación individual, así como su agrupación. Nuestros resultados, innovadores en el momento de su publicación, se han visto corroborados por la evolución posterior del gobierno corporativo.

Lo que se ha verificado fue una relación positiva entre las variables de ejecución de buenas prácticas de gobierno corporativo y el valor de la empresa, además de una evidencia de que cuanto más transparente es la empresa y más favorables son los informes de auditoría que obtienen, mejor es el desempeño gerencial y el valor de la empresa. Sobre las recomendaciones, se pudo desprender que los aspectos más relevantes fueron que la información haya sido verificada por el Comité de Auditoría

antes de su publicación, y que hubiese un reporte de información de mayor calidad, como información sobre transacciones con acciones propias y estructura accionaria adecuada de manera a evitar el uso de información privada por directores. Además, la investigación en ese momento destacó que se dotase de mayor independencia el consejo de administración, y que se evitase que las funciones de presidente del consejo y director de la corporación fuesen asumidas por una misma persona. Se ha notado además que, pese la orientación anglosajona del primero Código de Buen Gobierno Español, el mismo ha mejorado el valor de las empresas.

De esa manera la investigación ha indicado que se debe fomentar la aplicación de los códigos dentro de las empresas españolas, lo que corrobora ideas de autores anteriores que afirmaban que los códigos de gobierno corporativo deberían ser obligatorios, en lugar de voluntarios. Se puede destacar, además, que el documento que compone el capítulo II de la presente tesis fue más allá de los estudios anteriores que se centraban en la reacción del mercado al anuncio de cumplimiento. De hecho, se pudo concluir que es el grado de cumplimiento, más que el mero reporte de si las empresas los cumplen o no, es lo que aumenta el valor de la empresa. Los resultados respaldaron la necesidad de observar prácticas de gobierno corporativo para aumentar el valor de la empresa puesto que ha evidenciado que las empresas que cumplían con los requisitos del código de Olivencia (APLICGC), que reportaban informes de auditoría sin salvedades (AUDI), y que brindaban una alta remuneración de los directores (REMDIR) han incrementado su valor. Sobre la transparencia, se esperaba que informar sobre la remuneración de los directores de una empresa sería bienvenido por el mercado de valores, aunque ese efecto no fue claramente significativo.

Los resultados del segundo capítulo avalan, pues, la capacidad de las buenas prácticas de gobierno corporativo propuestas por la CNMV para asegurar mejores resultados de gestión a las empresas españolas, destacando que la ejecución de estas recomendaciones por parte de las empresas españolas genera una mayor confianza de los inversores en los mercados bursátiles y en el gobierno corporativo.

El segundo objetivo de esa tesis ha buscado se detener en la relación entre propiedad y control, buscando analizar la diversificación y estructura de propiedad. Se sabe que la concentración de la propiedad se considera un buen sustituto de la protección legal de los inversores en países con una débil protección de los inversores -

como los países de derecho civil francés- puesto que una propiedad extremadamente concentrada puede ser considerada una buena estrategia de los grandes inversores para ejercer poder sobre los gerentes atrincherados.

Así, se ha explorado la relación entre la estructura de propiedad y la diversificación en España como un ejemplo de un país de derecho civil francés. Esa investigación ha proporcionado un escenario particularmente adecuado para el análisis puesto que busca evidencia empírica sobre la protección más débil de los inversores en comparación a los Estados Unidos y otros mercados europeos. Específicamente se centra en España, país en que el nivel de asimetrías de información es muy elevado, la probabilidad de atrincheramiento es muy alta, además de ser probable que las rentas de los inversionistas sean expropiadas por los grandes accionistas. Esa situación, que puede ocurrir en altos niveles de concentración de la propiedad lleva a plantear, a su vez, que cuando ocurre la expropiación de rentas por parte de los grandes accionistas, la estructura de propiedad accionaria altamente concentrada requiere niveles muy altos de propiedad interna para asegurar la maximización del valor. Así, al analizar la relación entre diversificación y estructura de propiedad bajo el marco de la teoría de la agencia, se pudo examinar cómo los efectos de la expropiación y del atrincheramiento han afectado la estrategia corporativa. Además de ese objetivo principal, también se ha buscado aportar evidencia sobre las variables de control en el modelo, cuáles sean: el endeudamiento, la compensación de ejecutivos y el cumplimiento de códigos de buenas prácticas.

La mayor parte de la evidencia disponible respalda que, siendo las empresas diversificadas menos valoradas, las estrategias de diversificación representan una manifestación de un conflicto de intereses entre gerentes y accionistas, bien como una forma de gratificación del gerente. Así, por detrás de decisiones sobre estrategias de diversificación, puede estar el deseo de determinado directivo volverse más valioso para los accionistas y costosos de reemplazar o, aun, a través de dichas estrategias, ser posible que tales directivos diversifiquen su propio riesgo laboral, reduciendo el riesgo de la empresa y, generando, además, un aumento del tamaño de la empresa que llevara un aumento concomitante en esquemas de compensación y ganancias personales, lo que nos lleva a plantear que los verdaderos efectos de la diversificación sobre el valor de las empresas aún es un tema de gran debate y antagonismos.

Para el contexto español, objeto del estudio, se ha observado un nivel de concentración de la propiedad superior al de sus contrapartes estadounidenses y japonesas y una relación no lineal entre el valor de la empresa y la concentración de la propiedad a partir de estudios ya realizados, lo que ha sugerido que ocurra la expropiación por parte de los grandes accionistas en el caso de empresas muy concentradas. Siendo así, para escenarios de baja protección tal como es España, era esperado que la función de monitoreo de la concentración de la propiedad funcionaria solo en niveles bajos de concentración de la propiedad, pasando a la expropiación por parte de los grandes accionistas en niveles muy altos, lo que implicaría en una función cuadrática en forma de U.

Sobre la propiedad interna y la diversificación corporativa también era esperado - basado en estudios anteriores - una relación no lineal. Pero en ese caso se esperaba que para niveles intermedios de propiedad interna - en los que es probable que los gerentes estén atrincheirados - habría una relación positiva entre la propiedad directiva y la diversificación, mientras que habría una relación negativa para cualquier porcentaje de propiedad interna distinta de niveles intermedios, puesto que en esos casos los intereses de los directivos se alinearían con los de los accionistas.

Los resultados, obtenidos a partir de la utilización de un estimador de datos de panel GMM capaz de controlar los efectos individuales generados por la variación a nivel de empresa específica y el problema de endogeneidad - lo que permite considerar adecuadamente el papel que juega la propiedad corporativa en la descripción de la estrategia corporativa - fueron concluyentes sobre la relación cuadrática entre concentración de la propiedad y la diversificación (*U-shaped* con signo inverso a la relación con valor de la empresa identificado en investigaciones anteriores), y una relación cúbica entre la propiedad interna y la diversificación (también con el signo opuesto a la relación con valor empresarial). También encontramos evidencias de varias variables de control incluidas en el modelo como el nivel de deuda y el cumplimiento de los códigos de buenas prácticas, como lo predice la teoría de la agencia. Sin embargo, no se detecta una relación concluyente para la compensación de directivos. El trabajo desarrollado en el capítulo III ha examinado por primera vez la relación entre la estructura de propiedad y la estrategia corporativa en un país de derecho civil caracterizado por una baja protección de los accionistas y ha

tenido como su contribución observar el comportamiento de las empresas españolas en comparación con las empresas británicas y estadounidenses, que desde luego ha sido muy distinto y muy probablemente se deba a las diferencias en el sistema de gobierno corporativo entre estos países y, al igual, confirman la relevancia de la teoría de la agencia.

Finalmente el último objetivo general de la presente tesis era observar la evolución de la buena gobernanza corporativa que se ha trasladado con sus conceptos a la gobernanza pública. Como se sabe, la gobernanza pública pasa por políticas públicas que deben ser adecuadamente implementadas. Además, es deseado que, al final, se pueda hacer una evaluación de tales políticas y que, finalizado todo el ciclo de las políticas públicas, se pueda evidenciar una transparencia de dichas políticas públicas a través de la rendición de cuentas, de manera a posibilitar a los ciudadanos tener acceso a informaciones y gestión desarrollada por los gobiernos. Siendo, por lo tanto, la rendición de cuentas una obligación de informar y explicar lo que se ha logrado con determinada política pública, y al mismo tiempo, un elemento básico de diálogo social, el capítulo IV de la presente tesis trata de explicar el proceso de las políticas públicas y aportar evidencia empírica a partir de un análisis de contenido de una determinada política pública del gobierno español, cual sea: la educación financiera. Toca esclarecer además que, tal como la investigación ha destacado, la rendición de cuentas ultrapasa la obligación de informar y explicar –lo que distintos autores entienden que componen el conjunto de la dimensión de *answerability* y la equiparan a la noción de transparencia gubernamental – debiendo, además, legitimarse también en la dimensión del *enforcement*, de manera a corroborar la ética y la gestión eficiente en la ejecución de las políticas públicas.

Para tanto, el capítulo en cuestión ha buscado contestar a la pregunta ¿cómo están estructurados los informes de rendición de cuentas de los planes nacionales de educación financiera en España? El gobierno español ha trazado la primera estrategia para mejorar la educación financiera de los ciudadanos en 2008 a partir de una coordinación entre el Banco de España y la CNMV. Desde 2008, se han implementado cuatro ediciones; siendo la más reciente de enero de 2022 con previsión hasta 2025.

Así, a partir de la metodología de análisis documental se ha buscado analizar el conjunto de rendición de cuentas de la política pública volcada en la educación

financiera ejecutada por el gobierno español, cuáles sean, los balances entregados al final de la ejecución del Plan de Educación Financiera 2008-2012, del Plan de Educación Financiera 2013-2017 y Plan de Educación Financiera 2018-2021. Utilizando los procedimientos de frecuencia de palabras, gráficos, árboles de palabras, análisis de conglomerados y nubes, se hizo un análisis de contenido. Sobre la construcción y categorización con la codificación de los documentos, una fase de mayor complejidad en la consecución de los objetivos del capítulo IV, la investigación ha elegido 3 categorías según la literatura relevante en el área - la informativa, la explicativa y la *enforcement* - y ha añadido dos categorías más: la mixta y la ontológica.

Se ha procedido de esa manera al procesamiento de datos con la inferencia e interpretación de los datos. Algunos resultados ya eran esperados como el hecho de que “educación” y “financiera” hayan sido palabras frecuentes en todos los informes. Sin embargo, se ha podido observar resultados relevantes como el hecho de que palabras como “desarrollo” y “objetivos” fueran frecuentes cuando analizamos la rendición de cuentas del primero Plan de Educación Financiera llevado a cabo por el gobierno español, además de “colaboración” y “acciones”, algo muy interesante para un momento de una política pública inicial que buscaba “convenios”, acciones y “participación” para llevar a cabo la Educación Financiera en España en aquel momento.

Cuando analizamos el informe de rendición de cuentas del Plan Nacional de Educación Financiera 2013-2017 palabras como “iniciativas”, “colaboración” y “competencia” ya están más destacadas, además de haber surgido también el término “evaluación” lo que demuestra la evolución de una política pública que ya avanzaba en su consecución.

Finalmente, palabras como “gestión” y “datos” surgen más frecuentemente solamente en el informe de rendición de cuentas del Plan Nacional de Educación Financiera 2018-2021, lo que nos hace creer que, poco a poco, la política pública para la promoción de la Educación Financiera en España ha alcanzado por fin determinado grado de madurez.

Además, se ha hecho un análisis de conglomerados utilizando el software Nvivo a fin de agrupar variables en grupos homogéneos dada las similitudes verificadas. Así, a través de la visualización de patrones semánticos, se pudo observar nodos que



comparten atributos similares como “educación” y “financiera”, que aparecen en un mismo grupo e intermediadas por “competencias” y “plan”, cercano a “objetivos”; “conocimientos” y “programas”, que aparecen a su vez como conceptos intermediados por “financieros” e “iniciativas”.

Finalmente, se ha observado la distribución de los planes de educación financiera en función de las 5 dimensiones analíticas que fueron definidas, a partir de la recopilación bibliográfica, cuáles eran: (1) informativa, (2) explicativa, (3) *enforcement*, (4) mixta y (5) ontológica. Se ha observado que la dimensión informativa –dimensión esa que pregunta qué ha sido o será hecho, mediante la enumeración de hechos – ha destacado como la dimensión más relevante en el informe de rendición de cuentas del primero Plan Nacional de Educación Financiera analizado (que ha buscado rendir cuentas de los años 2008 a 2012), lo que se muestra muy factible teniendo en consideración que era una política pública novedosa en aquel momento. Ya la dimensión explicativa - que revela una mayor madurez puesto que ofrece razones y forma juicios - ha sido más bien evidenciada en el el informe de rendición de cuentas del Plan Nacional de Educación Financiera 2013-2017 y en el informe de rendición de cuentas del Plan Nacional de Educación Financiera 2018-2021, con 37,45% de las informaciones y 36,09% de las informaciones, respectivamente. Finalmente, la dimensión *enforcement* (que según la recopilación bibliográfica sería la dimensión que castiga lo erróneo mediante la penalización o el castigo dada una posible mala gestión pública) no ha sido evidenciada en ningún informe de rendición de cuentas de los Planes Nacionales de Educación Financiera 2008-2012, 2013-2017 y 2018-2021, lo que también confirma lo que la literatura predice de que, hasta el momento, la sanción no es aún una costumbre en la implementación de las políticas públicas.

Los resultados del capítulo IV demuestran que los tres planes de educación financiera continuaron dentro de un ciclo exitoso de políticas públicas, dado que la gobernanza pública optó por mantener dicha política, pese que el proceso de formulación de políticas aún se encuentre en un momento muy inicial, donde sólo se han aprobado recomendaciones, aparte de la inclusión obligatoria de contenidos financieros en la Ley de Educación Primaria. Los resultados nos advierte que la rendición de cuentas por ahora se limita a la función de explicar e informar (*answerability*) y no se encontraron elementos de la dimensión del *enforcement* en el

análisis de los documentos, que pudieran revelar críticas. Creemos, de esa manera, que brindamos una contribución significativa a la literatura sobre el proceso de políticas públicas, tema relevante discutido en todo el mundo debido a sus implicaciones sensibles sobre la calidad del servicio público y la corrección de las políticas públicas. Siendo los enfoques tan diversos en muchos de esas cuestiones, son siempre bienvenidos nuevos estudios y nuevas metodologías para tratar el tema.

Al final de las discusiones y de la observación de los resultados a partir de los distintos objetivos planteados se puede, en resumen, afirmar que la tesis demostrada en este trabajo es que los agentes – sean de las organizaciones corporativas, sean de las entidades gubernamentales – tienen en sus manos la decisión sobre distintas estrategias (como la diversificación en las empresas privadas o las distintas políticas públicas en el Estado) y que el comportamiento en el momento de definir las estrategias son influenciadas por factores al que están sometidos los distintos agentes, bien sea en una organización privada o bien sea en una organización pública y que será al final las decisiones de esos agentes que irán influenciar ya sea el valor empresarial, ya sea la gestión eficiente del uso de los recursos públicos. Ante los retos que se han impuesto en el siglo XXI, avanzar en la discusión sobre los cambios en la concepción de la responsabilidad social y la correcta gobernanza de empresas privadas e instituciones públicas sin duda hace con que esa tesis se constituya en una importante fuente de aprendizaje.

## LIST OF REFERENCES

- AGRAWAL, A. and KNOEBER, C. R. (1996) Firm Performance and Mechanisms to Control Agency Problems Between Managers and Shareholders, *Journal of Financial & Quantitative Analysis*, 31 (3), 377 – 398.
- AGUILAR IDÁÑEZ, María José; ANDER-EGG, Ezequiel. Evaluación de servicios y programas sociales. **Buenos Aires, Argentina: Editorial Lumen**, 1994.
- AIKEN, L.s. and WEST, S.G. (1991) *Multiple Regression: Testing and Interpreting Interactions*. Sage: Newbury Park, CA.
- ALA-HARJA, Marjukka; HELGASON, Sigurdur. Em direção às melhores práticas de avaliação. *Revista do Serviço Público*, Brasília, v. 51, n. 4, p. 5-59, out./dez. 2000.
- AMIHUD, Y. and LEV, B. (1981) Risk Reduction as a Managerial Motive for Conglomerate Mergers, *Bell Journal of Economics*, 12, 605–618.
- AMIHUD, Y. and LEV, B. (1999) Does Corporate Ownership Structure Affect its Strategy towards Diversification? *Strategic Management Journal*, 20(11), 1063–1069.
- ARELLANO, M. (2003) *Panel Data Econometrics. Advanced Texts in Econometrics*, Oxford University Press Inc., New York.
- ARELLANO, M. and BOND, S. R. (1991) Some Tests of Specification for Panel Data: Monte Carlo Evidence and Application to Employment Equations, *Review of Economic Studies*, 58, 277–297.
- ARRETCHE, Marta Tereza da Silva. (1998) Tendências no estudo sobre avaliação. In: RICO, Elizabeth Melo (Org.). *Avaliação de políticas sociais: uma questão em debate*. São Paulo: Cortez, p. 29-39.
- ARRETCHE, Marta Tereza da Silva. (2001) Uma contribuição para fazermos avaliações menos ingênuas. In: Barreira, Maria Cecília Rocho Nobre; CARVALHO, Maria do Carmo Brant de. (orgs.) *Tendências e Perspectivas na avaliação de políticas e programas sociais*. São Paulo: IEE/PUCSP, p. 43-56.
- ARTHUS, J. D. and BUSENITZ, L. W. (2003) The Boundaries and Limitations of Agency Theory and Stewardship Theory in the Venture Capitalist/Entrepreneur Relationship, *Entrepreneurship: Theory & Practice*, 28(2), 145–163.
- BALKIN, D. B. and GOMEZ-MEJIA, L. R. (1987) Toward a Contingency Theory of Compensation Strategy, *Strategic Management Journal*, 8, 169–182.
- BALKIN, D. B. and GOMEZ-MEJIA, L. R. (1990) Matching Compensation and Organizational Strategies, *Strategic Management Journal*, 11, 153–169.
- BALTAGI, B. H. (2005) *Econometric Analysis of Panel Data*. John Wiley and Sons,

Chichester, England.

BARDIN, Laurence. *Análise de conteúdo*. Ed. rev. e ampl. São Paulo: Edições 70, 2016.  
279 p

BARNHART, S. W. and ROSENSTEIN, S. (1998) Board Composition, Managerial Ownership and Firm Performance: an Empirical Analysis”, *The Financial Review*, 33 (4), 1-16.

BARNHART, S. W., MARR, W. and ROSENSTEIN, S. (1994) Firm Performance and Board Composition: Some New Evidence, *Managerial and Decision Economics*, 15(4), 329-340.

BAYSINGER, B. and BUTLER, H. (1985) Corporate Governance and the Board of Directors: Performance Effects of Changes in Board Composition, *Journal of Law, Economics & Organization*, 1 (1), 101-125.

BERGER, P. and OFEK, E. (1995) Diversification’s Effect on Firm Value, *Journal of Financial Economics*, 37, 39–65.

BERLE, A. and MEANS, G. (1932) *The Modern Corporation and Private Property*, McMillan, New York

BETHEL, J. E. and LIEBESKIND, J. (1993) The Effects of Ownership Structure on Corporate Restructuring, *Strategic Management Journal*, 14, 13–31.

BHAGAT, S. and BLACK, B. (2002) The No-Correlation Between Board Independence and Long-Term Firm Performance, *The Journal of Corporation Law*, winter: 231-273.

BLUNDELL, R. BOND, S., DEVEREUX, M. and SCHIANTARELLI, F. (1992) Investment and Tobin’s q: Evidence from Company Panel Data, *Journal Econometrics*, 51, 233-257.

BOVENS, M. (2007). Analysing and assessing accountability: a conceptual framework. *European Law Journal*, 13(4), 447–468.

BOVENS, M. (2010). Two concepts of accountability: Accountability as a virtue and as a mechanism. *West European Politics*, 33(5), 946–967.

BOVENS, Mark; SCHILLEMANS, Thomas; HART, Paul’t. (2008) Does public accountability work? An assessment tool. *Public administration*, v. 86, n. 1, p. 225-242.

BREUSCH, T.S and PAGAN, A.R. (1979) A Simple Test for Heteroscedasticity and Random Coefficient Variation, *Econometrica*, 47 (5), 1287-1295.

BUCCI, Maria Paula Dallari. *Notas para uma metodologia jurídica de análise de políticas públicas*. In: FONTINI, Cristiana; ESTEVES, Julio César dos Santos; DIAS, Maria Teresa Fonseca (org). *Políticas Públicas: possibilidades e limites*. Belo Horizonte: Fórum, 2008

CABAL, E. (2000) *La Efectividad Comunicativa del Informe de Auditoría Medida a*

- Través de su Impacto en el Mercado Bursátil, *Revista de Contabilidad y Tributación del CEF*, 209-210 (agosto-septiembre), 123-178.
- CAMPA, J.M. and KEDIA, S. (2002) Explaining the diversification discount, *Journal of Finance*, 51, 1731-1762.
- CANTO CHAC, Manuel. Gobernanza y participación ciudadana en las políticas públicas frente al reto del desarrollo. *Política y cultura*, n. 30, p. 9-37, 2008.
- CAPELLA, Ana Cláudia N. Perspectivas Teóricas sobre o Processo de Formulação de Políticas Públicas. In: HOCHMAN, Gilberto; ARRETCHE, Marta; MARQUES, Eduardo. *Políticas Públicas no Brasil*. Rio de Janeiro, Fiocruz, 2007, p. 87-143.
- CAPELLA, Ana Cláudia N. Perspectivas Teóricas sobre o Processo de Formulação de Políticas Públicas. In: HOCHMAN, Gilberto; ARRETCHE, Marta; MARQUES, Eduardo. *Políticas Públicas no Brasil*. Rio de Janeiro, Fiocruz, 2007, p. 87-143.
- CARPENTER, M. A., POLLOCK, T. G. and LEARY, M. M. (2003) Testing a Model of Reasoned Risk-Taking: Governance, the Experience of Principals and Agents, and Global Strategy in High-Technology IPO Firms, *Strategic Management Journal*, 24(9), 802–820.
- CARVALHO, Maria de Lourdes de; BARBOSA, Telma Regina da Costa Guimaraes; SOARES, Jeferson Boechat (2010). Implementação de política pública: uma abordagem teórica e crítica.
- CHAGANTI, R. and DAMANPOUR, F. (1991) Institutional Ownership, Capital Structure and Firm Performance, *Strategic Management Journal*, 12, 479-493.
- CHKIR, I. E. and Cosset, J. C. (2001) Diversification Strategy and Capital Structure of Multinational Corporations, *Journal of Multinational Financial Management*, 11,17–37.
- CÓDIGO OLIVENCIA DEL BUEN GOBIERNO (1998) El Gobierno de las Sociedades Cotizadas, Comisión De Mercado De Valores (CNMV).
- COLLIN, S. and BENGTTSSON, L. (2000) Corporate Governance and Strategy: A Test of the Association between Governance Structures and Diversification on Swedish Data, *Corporate Governance: An International Review*, 8(2), 154–165.
- COMISIÓN DE MERCADO DE VALORES (1999) Análisis de los Resultados del Cuestionario sobre el Código de Buen Gobierno Relativo al Ejercicio 1998.
- COMISIÓN DE MERCADO DE VALORES (2000) Análisis de los Resultados del Cuestionario sobre el Código de Buen Gobierno Relativo al Ejercicio 1999.
- COMISIÓN DE MERCADO DE VALORES (2001) Análisis de los Resultados del Cuestionario sobre el Código de Buen Gobierno Relativo al Ejercicio 2000.
- CONYON, M.J., PECK, S.I. and SADLER,G (2000) Econometric Modelling of UK Executive

- Compensation, *Managerial Finance*, 26 ( 9), 3-20.
- COOL, K., DIERICKX, I. and JEMISON, D. (1989) Business Strategy, Market Structure and Risk-Return Relationships: A Structural Approach, *Strategic Management Journal*, 10(6), 507–523.
- CORE, J., GUAY, W. and LARCHER, D. (2003) Executive Equity Compensation and Incentives.A Survey, *Economic Policy Review*, April, 27–50.
- COTTA, Tereza Cristina. Avaliação educacional e políticas públicas: a experiência do Sistema Nacional de Avaliação da Educação Básica (Saeb). *Revista do Serviço Público*, Brasília, v. 52, n. 4, p. 89-110, out./dez. 2001
- DA SILVA, Dáfni Priscila Alves; FIGUEIREDO FILHO, Dalson Britto; DA SILVA, Anderson Henrique. O poderoso NVivo: uma introdução a partir da análise de conteúdo. *Revista política hoje*, v. 24, n. 2, p. 119-134, 2015.
- DAHYA, J., LONIE, A. A. and POWER, D. M. (1998) Ownership Structure, Firm Performance and Top Executive Change: an Analysis of UK Firms, *Journal of Business Finance & Accounting*, 25 (9), 1089-1118.
- DAVID, P., KOCHHAR, R. and LEVITAS, E. (1998) The Effect of Institutional Investors on the Level and Mix of CEO Compensation, *Academy of Management Journal*, 41, 200–208.
- DEL BRIO, E.B., MIGUEL, A. and PEROTE, J. (2002) An Investigation of Insider Trading Profits in the Spanish Market. *Quarterly Review of Economics and Finance*, 42(1), pp. 73–94.
- DEL BRIO, E.B., MIGUEL, A. and TOBAR, J. (2010) The Impact of Stock Market Regulation on the Level of Market Efficiency. Comparison between Spain and UK. *Revista Española de Financiación y Contabilidad*, 49(116), 480-497.
- DENIS, D., DENIS, D. and SARIN, A. (1997) Agency Problems, Equity Ownership, and Corporate Diversification, *The Journal of Finance*, 52(1), 135–160.
- DENIS, D., DENIS, D. and SARIN, A. (1999) Agency Theory and the Influence of Equity Ownership Structure on Corporate Diversification Strategies, *Strategic Management Journal*, 20,(11): 1071–1076.
- DEWING, I, P. and RUSSELL, P. O. (2004) Regulation of UK Corporate Governance: Lessons from Accounting, Audit and Financial Services, *Corporate Governance: An International Review*, 12 (1), 107-116.
- DIAS, Reinaldo; MATOS, Fernanda. **Políticas Públicas**. Princípios, propósitos e processos. São Paulo: Atlas, 2017
- DOMÍNGUEZ, Inmaculada *et al.* Evaluación para la mejora de la formación en educación financiera para universitarios. *Cuadernos de Información Económica*, v. 286, p. 65-78, 2022.

- DONALDSON, L. and DAVIS, J. H. (1991) Stewardship Theory or Agency Theory: CEO Governance and Shareholder Returns, *Australian Journal of Management*, 16(1), 49–66.
- DRAIBE, Sonia Miriam. Avaliação de Implementação: esboço de metodologia de trabalho em políticas públicas. In: Barreira, Maria Cecília Rocho Nobre; CARVALHO, Maria do Carmo Brant de. (orgs.) **Tendências e Perspectivas na avaliação de políticas e programas sociais**. São Paulo: IEE/PUCSP, 2001, p. 13-42.
- DROBETZ, W., SCHILLHOFER, A. and ZIMMERMANN, H. (2003) Corporate Governance and Firm Performance: Evidence from Germany, 10th DGF Conference. Mainz, Alemanha.
- DYE, Thomas R. Understanding public policy. Pearson, 2013.
- EVANS, J., EVANS, R. and LOH, S. (2002) Corporate Governance And Declining Performance, *International Journal of Business Studies*, 10 (1), 1-18.
- FACCIO, M. and LANG, L. H. (2002) The Ultimate Ownership of Western European Corporations, *Journal of Financial Economics*, 65, 365-395.
- FARIA, Carlos Aurélio Pimenta de. A política da avaliação de políticas públicas. *Revista Brasileira de Ciências Sociais*, São Paulo, v. 20, n. 59, p. 97-109, 2005.
- FÁVERO, Luiz Paulo; BELFIORE, Patrícia. **Análise de dados: modelagem multivariada para tomada de decisões**. Elsevier Brasil, 2009.
- FERNÁNDEZ LLERA, Roberto. Buen gobierno local y rendición de cuentas en España. **RETOS. Revista de Ciencias de la Administración y Economía**, v. 10, n. 19, p. 29-44, 2020.
- FERNÁNDEZ, A. I. and GOMEZ-ANSÓN, S. (1999) El Gobierno de la Empresa: Mecanismos Alineadores y Supervisores de las Actuaciones Directivas, *Revista Española de Financiación y Contabilidad*, 100, 355-380.
- FERNÁNDEZ, A. I., GOMEZ-ANSÓN, S. and FERNÁNDEZ-MÉNDEZ, C. (1998) El Papel Supervisor del Consejo de Administración sobre la Actuación Gerencial. Evidencia para el Caso Español, *Investigaciones Económicas*, 22 (3), 501-516.
- FERNÁNDEZ, E. and GÓMEZ-ANSÓN, S. (2003) La Experiencia Del Código Olivencia: Cumplimiento y Repercusiones A Largo Plazo, XIII Congreso de la Asociación Científica de Economía e Dirección de Empresas, España.
- FERNÁNDEZ, E., GÓMEZ-ANSÓN, S. and CUERVO, A. (2004) The Stock Market Reaction to the Introduction of Best Practices Codes by Spanish Firms, *Corporate Governance: An International Review*, 12 (1), 29-46.
- FERNÁNDEZ-LARRAGUETA, Susana; ALMAGRO-LOMINCHAR, Juan; FERNÁNDEZ SIERRA, Juan. Alfabetización económica y financiera en el contexto escolar: Perspectivas y propuestas. *Psychology, Society & Education*, v. 11, n. 1, p. 69-82, 2019.

- FERRADA, Cristian Ferrada *et al.* Análisis bibliométrico sobre Educación Financiera en Educación Primaria. *Revista de ciencias sociales*, v. 26, n. 2, p. 225-242, 2020.
- FERRERA, José Manuel Cordero and CHAPARRO, Francisco Pedraja. La educación financiera y su efecto sobre el conocimiento financiero de los alumnos españoles en PISA 2012. Fundación de las Cajas de Ahorros, 2016.
- FIGUEIREDO, Marcus Faria; FIGUEIREDO, Argelina Maria Cheibub. **Avaliação política e avaliação de políticas: um quadro de referência teórica**. São Paulo: Instituto de Estudos Econômicos, Sociais e Políticos de São Paulo, 1986.
- FOX, M. A. and HAMILTON, R. T. (1994) Ownership and Diversification: Agency Theory or Stewardship Theory, *Journal of Management Studies*, 31(1), 69–83.
- FREY, Klaus. Políticas públicas: um debate conceitual e reflexões referentes à prática da análise de políticas públicas no Brasil. *Planejamento e Políticas Públicas*, Brasília, n. 21, p. 211-259, jun. 2000.
- GALVE, C. and SALAS, V. (1993) Propiedad y Resultados de la Gran Empresa Española, *Investigaciones Económicas*, 17, 207-238.
- GALVE, C. and SALAS, V. (1996) Ownership Structure and Firm Performance: Some Empirical Evidence from Spain, *Managerial and decision economics*, 17: 575-586.
- GELINSK, Carmen Rosário Ortiz G.; SEIBEL, Ernani José. Formulação de Políticas Públicas: questões metodológicas relevantes. **Revista de Ciências Humanas**, Florianópolis, EDUFSC. v. 43, n. 1 e 2, 2008, p. 227-240.
- GIBSON, M. (2003) Is Corporate Governance Ineffective in Emerging Markets?, *Journal of Financial and Quantitative Analysis*, 38 (1), 231-251.
- GIBSON, Pamela D.; LACY, Donald P.; DOUGHERTY, Michael J. Improving performance and accountability in local government with citizen participation. *The Innovation Journal: The Public Sector Innovation Journal*, v. 10, n. 1, p. 1-12, 2005.
- GOMEZ ANSON, S. (2005) Corporate Governance Developments in Spain. UNECE Conference. Geneva. Switzerland.
- GONENC H. and AYBAR, C. B. (2006) Financial Crisis and Firm Performance: Empirical Evidence from Turkey, *Corporate Governance: An International Review*, 14(4), 297–311.
- GONZÁLEZ, V. M. (1997) La Valoración por el Mercado de Capitales Español de la Financiación Bancaria y de las Emisiones de Obligaciones, *Investigaciones Económicas*, 21, 111-128.
- GRAVES, S. B. (1988) Institutional Ownership and Corporate R&D in the Computer Industry, *Academy of Management Journal*, 31(2), 417–429.
- GRAVES, S. B. and WADDOCK, S. A. (1990) Institutional Ownership and Control:



- Implications for Long-term Corporate Strategy, *Academy of Management Executive*, 4(1),75–84.
- HAIR, J. F., BLACK, W. C., BABIN, B. J., ANDERSON, R. E., & TATHAM, R. L. (2009). *Análise multivariada de dados*. 6ed. Bookman editora.
- HAUSMAN, J. (1978) Specification Tests in Econometrics, *Econometrica*, 46, 1251-1271.
- HAYASHI, F. and INOUE, T. (1991) The Relation Between Firm Growth and Q with Multiple Capital Goods: Theory and Evidence form Panel Data of Japanese Firms, *Econometrica*, 59, 731-753.
- HERMALIN, B. and WEISBACH, M. S. (1991) The Effect of Board Composition and Direct Incentives on Firm Performance, *Financial Management*, 20 (4), 101-112.
- HILL, C. and SNELL, S. (1988) External Control, Corporate Strategy, and Firm Performance in Research-Intensive Industries, *Strategic Management Journal*, 9, 577–590.
- HILL, Michael; HUPE, Peter. Analysing policy processes as multiple governance: accountability in social policy. *Policy & Politics*, v. 34, n. 3, p. 557-573, 2006.
- JACQUEMIN, A. P. and BERRY, C. H. (1979) Entropy Measure of Diversification and Corporate Growth, *The Journal of Industrial Economics*, 27(4): 359.
- JENSEN, M. (1993) The Modern Industrial Revolution, Exit, and the Failure of Internal Control Systems, *Journal of Finance*, 48, 831-880.
- JENSEN, M. and MECKLING, W. (1976) Theory of the Firm: Managerial Behaviour Agency Costs and Ownership Structure, *Journal of Financial Economics*, 3 (4), 305-360.
- Jensen, M. and Ruback, W. (1983) The Market for Corporate Control, *Journal of Financial Economics*, 11(1-4), 5–50.
- JENSEN, M. C. (1986) Agency Costs of Free Cash Flow, Corporate Finance and Takeovers, *American Economic Review*, 76 (2), 323-329.
- KANG, E. (2006) Investors' Perception of Mangerial Opportunism in Corporate Acquisitions: The moderating role of environmental conditions. *Corporate Governance: An International Review*, 14(5): 377-387.
- KIM, Y. C. and STULZ, R. M. (1988) The Eurobond Market and Corporate Firm Policy: a Test of the Clientele Hypothesis *Journal of Financial Economics*, 22 (2),189-205
- KLEIN, A. (1998) Firm Performance and Board Committee Structure, *Journal of Law and Economics*, 41, 275-303.
- KOPPELL, J. G. S. (2005). Pathologies of accountability: ICANN and the challenge of “multiple accountabilities disorder. *Public Administration Review*, 65(1), 94–108

- LA PORTA, R. LOPEZ-DE-SILANES, F. and VISHNY, R. (1999) Corporate Ownership around the World, *Journal of Finance*, 54, 471- 517.
- LA PORTA, R., LOPEZ-DE-SILANES, F., Shleifer, A. and VISHNY, R. (1998) Law and Finance, *Journal of Political Economy*, 106 (6), 1113–55.
- LAEVEN, L. and LEVINE, R. (2007) Is There a Diversification Discount on Financial Conglomerates? *Journal of Financial Economics*, 58(2), 331–367
- LANE, P. J., CANELLA, A. A., and LUBTAKIN, M. H. (1998) Agency Problems as Antecedents to Unrelated Diversification: Amihud and Lev Reconsidered, *Strategic Management Journal*, 19(6), 555–578.
- LANE, P. J., CANELLA, A. A., and LUBTAKIN, M. H. (1999) Ownership Structure and Corporate Strategy: One Question Viewed from Two Different Worlds, *Strategic Management Journal*, 20(11), 1077–1086.
- LEHMANN, E. and WEIGAND, J. (2000) Does the Governed Corporation Perform Better? Governance Structures and Corporate Performance in Germany, *European Finance Review*, 4(2), 157–195.
- LOPEZ-ITURRIAGA, F. (2005) “Debt ownership structure and legal system: an international analysis”. *Applied Economics*, 37(3), 355-365.
- LOPEZ-ITURRIAGA, F. and RODRIGUEZ-SANZ, J.A. (2008) “Capital structure and institutional setting: a decompositional and international analysis”. *Applied Economics*, 40(14), 1851-1854.
- MALLIN, C., MULLINEUX, A. and WIHLBORG, C. (2005) The Financial Sector and Corporate Governance – Lessons from the UK, *Corporate Governance: An International Review*, 13 (4), 532-541.
- MARTÍNEZ, José M. Domínguez. Los programas de educación financiera: Aspectos básicos y referencia al caso español. e-Publica, n. 20, p. 19, 2017.
- MATOS, P. V. and COELHO, A. M. (2003) Board of directors`, Composition, Cash Compensation and Corporate Governance Compliance – Evidence from Euronext Lisbon, XIII Congreso de la Asociación Científica de Economía e Dirección de Empresas, Salamanca, Spain.
- MAYER, C. (1992) Corporate finance, in P. Newman, M. Milgate and J. Eatwell, *The New Palgrave Dictionary of Money & Finance*, New York.
- MEHRAN, H. (1995) Executive Compensation Structure, Ownership and Firm Performance, *Journal of Financial Economics*, 38, 163-184.
- MENÉNDEZ-ALONSO, E. J. (2003) Does Diversification Strategy Matter in Explaining Capital Structure? Some Evidence from Spain, *Applied Financial Economics*, 13, 427–430.

- MIGUEL, A., PINDADO, J. and C. DE LA TORRE (2004) Ownership Structure and Firm Value: New Evidence from Spain. *Strategic Management Journal*, 25, 1199–1207.
- MUDAMBI, R. and NICOSIA, C. (1998) Ownership Structure and Firm Performance: Evidence from the UK Financial Services Industry, *Applied Financial Economics*, 8, 175–180.
- MULGAN, R. (2000). Accountability: An ever-expanding concept? *Public Administration*, 78(3), 555–573.
- MURPHY, K. (1999) Executive Compensation, In O. Ashenfelter and D. Card (eds.), *Handbook of Labor Economics*. Amsterdam: North Holland.
- NAVARRO-RUBIO, J. M. (1998) Gobierno de la Empresa: Visión Internacional, *Dirección y Progreso*, 159, 40-45
- NUÑEZ, Gloria Caballero. Los planes de educación financiera en España. *Panorama social*, n. 35, p. 9-21, 2022.
- OLCESE, A., GASCÓ, C, MARTÍNEZ-PARDO, R, BONET, J. and GÓMEZ-ANSÓN, S. (2004) Observatory of Good Practices of Spanish Quoted Companies, 2nd International Conference on Corporate Governance: Corporate Governance: Effective Directors and Responsible Investors, Birmingham, United Kingdom.
- OLVERA, Alberto; ISUNZA, Ernesto. Rendición de cuentas: los fundamentos teóricos de una práctica de la ciudadanía. **Participación ciudadana y políticas sociales en el ámbito local**, p. 335-357, 2004
- OOGHE, H. and DE LANGHE, T. (2002) The Anglo-American versus the Continental European Corporate Governance Model: Empirical Evidence of Board Composition in Belgium, *European Business Review*, 14 (6), 437-450.
- ORTÍN, A. and SALAS, V. (1997) The Compensation of Spanish Executives. A Managerial Talent Allocation Model, *International Journal of Industrial Organization*, 15, 511-532.
- PERUZZOTTI, Enrique. Marco conceptual de la rendición de cuentas. Departamento de Ciencia Política y Estudios Internacionales. Universidad Torcuato Di Tella. Argentina, 2008
- PETERS, B. G. (2007). Measurement of Governance. En Mark Bevir (ed.), *Encyclopedia of Governance*, Thousand Oaks, California–London, United Kingdom–New Delhi, India: Sage, 364–381
- PETERS, B. Guy. Governance and Sustainable Development Policies. In: Conferência das Nações Unidas sobre Desenvolvimento Sustentável – Rio+20. Organização das Nações Unidas (ONU) – Rio de Janeiro, 2012.

- PILON, M., and BROUARD, F. (2022). Conceptualizing accountability as an integrated system of relationships, governance, and information. *Financial Accountability & Management*, 1–26. Disponible en <https://doi.org/10.1111/faam.12323>
- PINDADO, J. and DE LA TORRE, C. (2006) The Role of Financing, Investment and Dividend Decisions in Explaining Corporate Ownership Structure: Evidence from Spain, *European Financial Management*, 12(5), 661–687.
- POUND, J. (1995) The Promise of the Governed Corporation, *Harvard Business Review*, 73 (2), 89-98.
- RECALDE, A. (2003) Los administradores de las sociedades anónimas en un entorno de 'buen gobierno', *Revista Valenciana de Economía y Hacienda*, 7, 51-77.
- ROCHE, Chris. **Avaliação de impacto dos trabalhos de ONGs**: aprendendo a valorizar as mudanças. São Paulo: Cortez/Oxfam, 2000 (p. 13-197).
- RODRÍGUEZ, J. M. (2003) *El Gobierno De La Empresa: Un Enfoque Alternativo*, Akal Economía Actual
- ROSE, N. L. and SHEPARD, A. Firm Diversification and CEO Compensation: Managerial Ability or Executive Entrenchment? *The Rand Journal of Economics*, 28(3); 489–515.
- ROSENSTEIN, S., WYATT, J. G. (1990) Outside Directors, Board Independence, and Shareholder Wealth, *Journal of Financial Economics*, 26 (2), 175-192.
- RUA, Maria das Graças. "Análise de políticas públicas: conceitos básicos." *Manuscrito, elaborado para el Programa de Apoyo a la Gerencia Social en Brasil. Banco Interamericano de Desarrollo: INDES (1997).*
- RUA, Maria das Graças. *Políticas públicas*. Florianópolis: Departamento de Ciências da Administração / UFSC; [Brasília]: CAPES : UAB, 2009
- SAFIEDDINE, A. and TITMAN, S. (1999) Leverage and corporate performance: Evidence from Unsuccessful Takeovers, *The Journal of Finance*, 54 (2); 547- 580.
- SAONA, P. and VALLELADO, E. (2008) The Use of Bank Debt as a Governance Mechanism Conditioned by the Financial System? The Cases of Chile and Spain. *Applied Economics*, 42(13), 1709-1726.
- SCHEDLER, Andreas. ¿ Qué es la rendición de cuentas? 2008. Disponible en <http://biblioteca.udgvirtual.udg.mx/jspui/bitstream/123456789/1047/1/Qu%C3%A9%20es%20la%20rendicion%20de%20cuentas.pdf>
- SECCHI, Leonardo. **Políticas públicas: conceptos, esquemas de análise, casos prácticos**. São Paulo: Cengage Learning, 2010
- SHLEIFER, A. and VISHNY, R. (1997) A Survey of Corporate Governance, *Journal of Finance*, 52 (1), 35-55.

- SHLEIFER, A. and VISHNY, R. W. (1986) Large Shareholders and Corporate Control, *Journal of Political Economy*, 95, 461–488.
- SHLEIFER, A. and VISHNY, R. W. (1989) Management Entrenchment, *Journal of Financial Economics*, 25(1), 123–140.
- SHORT, H. and KEASEY, K. (1999) Managerial Ownership and the Performance of Firms: Evidence for UK, *Journal of Corporate Finance*, 5, 79-101.
- SILVA, Maria Ozanira da Silva e. Avaliação de políticas e programas sociais: uma reflexão sobre o conteúdo teórico e metodológico da pesquisa avaliativa. In: SILVA, Maria Ozanira da Silva e. **Pesquisa Avaliativa: aspectos teórico-metodológicos**. 2ª ed. São Paulo: Veras, 2013.
- SILVA, Pedro Luiz Barros; MELO; Marcos André Barreto de. **O Processo de Implementação de Políticas Públicas no Brasil**: características e determinantes da Avaliação de Programas e Projetos. Caderno de Pesquisa n. 48. Campinas: NEPP/UNICAMP, 2000.
- SOUSA, Celina. Estado da Arte da Pesquisa em Políticas Pública. In: HOCHMAN, Gilberto; ARRETCHE, Marta; MARQUES, Eduardo (orgs.) **Políticas Públicas no Brasil**, Rio de Janeiro: Fiocruz, 2008, p. 65-86.
- SOUZA, Lincoln Moraes. A agenda e as agendas no Brasil. **Cronos**, Natal-RN, v. 7, n. 1, jan./jun. 2006, p. 79-101.
- STULZ, R. M. (1988) Managerial Control of Voting Rights: Financing Policies and the Market for Corporate Control, *Journal of Financial Economics*, 20, 25–55.
- STULZ, R. M. (1990) Managerial Discretion and Optimal Financing Policies, *Journal of Financial Economics*, 26(1), 3–28.
- THOMAS, G. Weiss. Governance, good governance, and global governance: conceptual and actual challenges. In: *Thinking about global governance*. Routledge, p. 168-189, 2012.
- TREVISAN, Andrei Pittol; VAN BELLEN Hans Michael van. Avaliação de Políticas Públicas: uma revisão teórica de um campo em construção. **RAP**. Rio de Janeiro 42 (3), p. 529-550, maio/jun. 2008.
- VANCE, S. C. (1964) *Board of Directors: Structure and Performance*, Harvard Business School Press, Boston, MA.
- VIANA, Ana Luiza. Abordagens metodológicas em políticas públicas. *Revista de administração pública*, v. 30, n. 2, p. 5 -43, 1996.
- VILLALONGA, B. (2004a) Diversification Discount or Premium? New Evidence from the Business Information Tracking Series. *Journal of Finance*, 59(2), 475-502.
- VILLALONGA, B. (2004b). “Does Diversification Cause the Diversification Discount?”

Financial Management, 33(2), 5-27.

WAN, W. and R. Hoskisson (2003). "Home country environments, corporate diversification strategies, and firm performance." *Academy of Management Journal*, 46(1), 27-45.

WEIR, C. and LAING, D. (2001) *The Cadbury Committee and the Governance-Performance Relationship: an Empirical Analysis of the Effects of Cadbury Recommendations on UK Firm Performance*, Working Paper. Aberdeen Business School.

YOSHIKAWA, T. and PHAN, P. H. (2005) *The Effects of Ownership and Capital Structure on Board Composition and Strategic Diversification in Japanese Corporations*, *Corporate Governance: An International Review*, 13(2), 303–312.

## APPENDIX 1

### OLIVENCIA CODE RECOMMENDATIONS

**The companies to which this report is addressed are recommended to consider the following measures:**

1. The Board of Directors should expressly assume the general supervisory function as its core mission, exercise the corresponding responsibilities exclusively and indelegably and establish a catalogue of the matters which are its exclusive competence.
2. The Board of Directors should include a reasonable number of independent directors who are prestigious professionals with no links to the management team or the significant shareholders.
3. In the composition of the Board of Directors, the non-executive directors (both domanial directors and independent directors) should have an ample majority over executive directors, and the proportion between domanial directors and independent directors should take account of the ratio between the significant holdings in capital and the other shareholders.
4. The Board of Directors should adjust its size to achieve more efficiency and participation. In principle, the size could range from five to fifteen members.
5. If the Board chooses to combine the offices of Chairman and CEO in the same person, it should adopt the necessary safeguards to mitigate the risks of concentrating power in a single person.
6. The figure of Secretary of the Board should be made more important and given more independence and stability, and his function of ensuring the formal and material legality of the Board's actions should be highlighted.
7. The composition of the Executive Committee, if there is one, should reflect the same balance as in the Board between the various classes of director, and the relations between the two bodies should be inspired by the principle of transparency so that the Board of Directors has full knowledge of the matters discussed and the decisions made in the Executive Committee.
8. The Board of Directors should create sub-Committees for control purposes, composed exclusively of non-executive directors, to deal with matters of accounting information and control (Audit Committee), the selection of directors and senior executives (Nomination Committee), the determination and review of remuneration policies (Remuneration Committee) and the evaluation of the governance system (Compliance Committee).
9. The necessary measures should be adopted to ensure that directors have sufficient specifically-prepared and oriented information sufficiently in advance to prepare for Board meetings, and the importance or confidentiality of the information may not justify breaches of this recommendation except in exceptional circumstances.
10. To ensure the good working of the Board, it should meet as often as necessary to fulfil its mission; the Chairman should encourage all directors to participate and take positions; particular care should be taken in drafting the minutes; and the quality and efficiency of the Board's work should be evaluated at least once per year.
11. The Board's participation in the selection and re-election of its members should conform to a formal, transparent procedure based on reasoned proposals from the Nomination Committee.
12. Companies should establish in their regulations the obligation for directors to resign where they may have a detrimental impact on the working of the Board of Directors or on the company's prestige and reputation.

13. An age limit should be established for the position of director, which could be sixty-five to seventy for executive directors and the Chairman and somewhat more flexible for other members.
14. The right of every director to request and obtain the necessary information and advice to enable him to fulfil his supervisory functions should be formally recognised, and the appropriate channels for exercising this right should be established, including the possibility of engaging external experts in special circumstances.
15. The director remuneration policy, whose proposal, evaluation and review should be assigned to the Remuneration Committee, should conform to criteria of moderation, be commensurate with the company's performance and be disclosed in detail on an individual basis.
16. The company's internal regulations should detail the obligations arising from the directors' general duties of diligence and loyalty, with particular attention being given to conflicts of interest, the duty of confidentiality, and the use of the company's business opportunities and assets.
17. The Board of Directors should foster the adoption of appropriate measures to extend the duties of loyalty to the significant shareholders and, in particular, establish safeguards covering transactions between significant shareholders and the company.
18. Measures should be taken to provide greater transparency in the mechanism of proxies and to promote communication between the company and its shareholders, particularly institutional investors.
19. The Board of Directors should go beyond the reporting requirements of the current legislation and undertake to provide the markets with fast, accurate and reliable information, particularly with regard to the shareholder structure, substantial modifications in the rules of governance, related-party transactions of particular importance and transactions with own shares.
20. All the periodical financial information, in addition to the annual report, which is released to the markets should be drafted under the same professional principles and practices as the annual accounts and should be verified by the Audit Committee before release.
21. The Board of Directors and the Audit Committee should monitor situations which might jeopardise the independence of the company's external auditors and, specifically, they should verify the percentage of the audit firm's total revenues represented by the fees paid to it under all headings, and professional services other than auditing should be publicly disclosed.
22. The Board of Directors should endeavour to ensure that the accounts drafted by it and submitted to the Shareholders' Meeting should be free of audit qualifications and, where this is not possible, both the Board and the auditors should explain clearly the content and scope of the discrepancies to the shareholders and the markets.
23. The Board of Directors should include information about its rules of governance in the annual report, and justify any departures from the recommendations of this Code.