

Foreign Ownership and Corporate Performance: The Czech Republic at EU Entry*

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September 2009

Abstract

Does foreign ownership improve corporate performance or do foreign firms merely select more productive targets for takeover? Do workers benefit from foreign acquisitions? We answer these questions based on comparing the before/after change in several performance indicators of Czech firms subject to foreign takeover after 1997, i.e., after the initial waves of privatization were completed, with the corresponding performance change of matched companies that remain domestically owned until 2005. We find that the impact of foreign investors on domestic acquisitions is significantly positive only in non-exporting manufacturing industries, while it is small in both services and manufacturing industries competing on international markets.

Abstrakt

Má zahraničné vlastníctvo vplyv na zlepšenie podnikovej výkonnosti alebo si zahraničné firmy iba vyberajú viac produktívne ciele na prevzatie? Aký úžitok prinášajú zahraničné akvizície zamestnancom? Na tieto otázky odpovedáme na základe porovnania zmien *pred* a *po* v rámci niekoľkých ukazovateľov výkonnosti českých firiem podliehajúcim zahraničnému prevzatiu po roku 1997, t.j. po skončení prvej vlny privatizácie, oproti zodpovedajúcim zmenám vo výkonnosti u spárovaných spoločností, ktoré zostali domácimi až do roku 2005. Zistili sme, že vplyv zahraničných investorov na domáce akvizície je výrazne pozitívny hlavne v neexportujúcich odvetviach spracovateľského priemyslu, zatiaľ čo vo zvyšných sektoroch je tento vplyv len malý.

Keywords: productivity, foreign ownership, FDI

JEL classification: C23, D24, F2

*We would like to thank Jan Hanousek, Peter Katusčák and Evžen Kočenda for useful comments. Support from the GAČR grant No. 402/06/1293 is gratefully acknowledged, as is access to the *ASPEKT* data provided by Jan Hanousek.

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