

Restructuring in the Czech Republic: Beyond Ownership and Bankruptcy¹

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Abstract

Restructuring of large industrial holdings in the Czech Republic (S-firms) depends on probes into new markets. The development and financing of probes generates internal holdups and stalemates among the government, banks and S-firms. The government tries to preserve the value of just-privatized S-firms while avoiding subsidies; banks, facing their delinquency, cannot force bankruptcy since keeping them as clients is as important as maintaining capital adequacy. A compromise arises, IMBR (intricate monitoring based restructuring), where the outside parties condition their involvement on a peculiar reorganization of the firm. We provide the empirical and theoretical underpinnings of IMBR, the emergence of which is neither deliberate nor accidental.

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Keywords: Restructuring, privatization, incomplete contracts, monitoring.

Abstrakt

Restrukturalizace velkých průmyslových holdingů (S-firem) v České republice závisí na průzkumech nových trhů. Vývoj a financování průzkumů vytváří zdržení a patové situace mezi vládou, bankami a státními podniky. Vláda se snaží zachovat hodnotu právě privatizovaných S-firem a současně se vyhnout poskytování dotací. Banky, které čelí delikventnímu chování podniků, nemohou iniciovat bankroty, neboť udržení této klientely je pro ně stejně důležité jako udržení kapitálové přiměřenosti. Vzniká kompromis, IMBR (intricate monitoring based restructuring - restrukturalizace založená na složitém monitorování), kde vnější strany podmiňují svoji angažovanost vlastní reorganizací firmy. Poskytujeme empirickou a teoretickou podporu IMBR, jejíž objevení není záměrné ani náhodné.

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