README: pseudodata and stata code

Why Do Boards Exist? Governance Design in the Absence of Corporate Law

Mike Burkart, Salvatore Miglietta, and Charlotte Ostergaard

August 2022

BMO_Pseudodata_main.dta The file contains hand-collected firm-level governance and accounting variables from historical archives. Governance variables include the share denomination of the firm's ordinary shares[1], voting caps, and indices of the number of decisions controlled by the board, the general assembly, and management respectively. Accounting variables are measured as the average of available firm-level observations over the period 1896-1910 due to missing observations. In addition, the file contains regional-level variables: firm location by region as well as population, aggregate wealth, the number of tax payers, and the number of civil servants in each region.

BMO_Pseudodata_ownership.dta The file contains hand-collected shareholder-level data on individuals' stock holdings in a subgroup of the sample firms. It contains the following variables: Firm-ID number (firm), the year for which ownership is recorded (yearownership), share denomination (denom), shareholder-ID number (shareholderid), the number of shares held by a shareholder (numberofshares), an indicator variable of whether the shareholder is a manager (insiderind), the number of votes a shareholder can exercise (numnberofvotes), the total number of shares outstanding in a firm (totshares)[2], and the total number of exercisable votes in a firm (totvotes).

Place programs and data in C:\BMOcode
Output is written to C:\BMOcode \Output

BMO_Main_Tables_Figures.do generates tables and figures for the full sample of firms using BMO_Pseudodata_main.dta:
- Figure 1
- Figure 2
- Figure B1
- Figure B2
- Table 1
- Table 2
- Table 5

[1] Share denomination is recorded as lowest nomination share value that carry voting rights (some firms issue half and quarterly shares without voting rights).

[2] Aggregate ownership might not add up exactly to 100% for some firms due to approximation errors resulting from the imputation of unaccounted-for shares (see footnote 6).

- Table 7
- Table 9
- Table 10
- Table B2
- Table B4
- Test results discussed in Section 6.2.

BMO_Subsample_Tables.do generates tables for a subsample of firms for which we have shareholder-level ownership using BMO_Pseudodata_main.dta and BMO_Pseudodata_ownership.dta:

- Table 3
- Table 4
- Table 8

BMO_Regional_Tables_Figures.do generates tables and figures that include regional-level variables using BMO_Pseudodata_main.dta:

- Figure 3
- Table 11
- Table 12
- Table B3