

Proposal Springer Book Series

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Suggested title/subtitle of the series

“Advanced Studies in Emerging Markets Finance”

Editorial structure

Griogorieva Svetlana, Associate Professor, National research university Higher school of economics, Russia; Stepanova Anastasia, Associate Professor, National research university Higher school of economics, Russia; Kokoreva Maria, Associate Professor, National research university Higher school of economics, Russia; Teplova Tamara, Professor, National research university Higher school of economics, Head of Financial market's Analysis Center, Russia; Karminsky Alexander, Professor, National research university Higher school of economics, Russia.

Editorial Board of the Book Series

- *Ivashkovskaya Irina*, Professor, National research university Higher school of economics, Head of School of Finance, Head of Corporate Finance Center, Moscow, Russia;
- *Agliardi Elettra*, Full Professor in Economics, University of Bologna, Italy;
- *Joseph McCahery*, Professor, Tilbourgh university, Netherlands;
- *Nivorozhkin Eugene*, Professor, University College London, London, United Kingdom.

Short description of the aims and scope of the series, including relevant subfields that could be part of it

The proposed new series includes research monographs on empirical studies of the broad range of finance concepts applied to the specific business environment in emerging capital markets. The majority of research will be focused on the largest emerging fast growing economies, the firms from BRICS. The proposed monographs present the results of empirical studies of research centers in the National Research University – Higher School of Economics (Russia) (HSE) with the involvement of its foreign partners from different countries. Typically the books are the research results on comparative studies within BRICS, between BRICS and developed economies, or demonstrate new approaches in interdisciplinary field of research activity or presentations of a new angle in a more classical field.

The series also aims at collecting respective works from other universities and research centers on finance in emerging capital markets including the papers from international conferences in this field.

Outline of books in the series “Advanced Studies in Emerging Markets Finance”

The outline of individual titles of the series is tentative. The themes are fixed including abstracts. Outlines will follow near time including assignment of authors.

	Type	Authors	Manuscript submission	Status	Remark
1. Strategic deals in emerging capital markets. Are there efficiency gains?	editorial book	The authors: Ivashkovskaya Irina (HSE) - editor; Nivorozhkin Eugene (UCL) - editor; Grigorieva Svetlana (HSE) - co-editor; Rodionov Ivan (HSE); Karla Motta Kiffer de Moraes (Arcadis NV Brasil); Luiz F. Autran M. Gomes (Ibmec School of Business and Economics Brasil), Rajesh Chakrabarti (Jindal Global Business School India), Skvortsova Irina (HSE); Deng Junzhi (HSE); Shcherbakov Dmitry (Bain&Co); Pavel Yakovenko (HSE); Lazebny Andrei (Deloitte), Khvostov Alexander (Deloitte); Mikhal'chuk Vitaly (ROSGEO), Baranovskaya Anna (HSE, MTS), Stemasova Margarita (Deloitte); Elena Chvyrova (E&Y, Russia).	Third quarter of 2017	Ongoing	Book proposal finished
2. Corporate financial architecture and corporate performance in emerging capital markets.	editorial book	Ivashkovskaya Irina (HSE) – co-editor; Stepanova Anastasia (HSE) - co-editor; Joseph McCahery (TU); Nivorozhkin Eugene (UCL); Kokoreva Maria (HSE).	Third quarter of 2018	Ongoing	Book proposal to be finished
3. Asset pricing anomalies in emerging capital	editorial book	Teplova Tamara (HSE) - editor; Antonio Fasano (Rome, Italy), Qaiser Munir (Malaysia);	Second quarter of 2018	Ongoing	Book proposal to be

	Type	Authors	Manuscript submission	Status	Remark
markets.		Mikova Evgeniya (HSE).			finished
4. Advances in capital structure policies in emerging markets.	editorial book	Ivashkovskaya Irina (HSE) - co-editor; Kokoreva Maria (HSE) - co-editor; Nivorozhkin Eugene (UCL); Makeeva Elena (HSE); Pirogov Nikita (HSE).	Fourth quarter of 2018	Ongoing	Book proposal negotiation
5. Finance risk estimation and modeling in emerging markets.	editorial book	Kabanov Yuri (University de Franche-Comté); Karminsky Alexander (HSE); Juan-Pablo Ortega (St. Gallen University Swizaland); Pavel Smaga (National Bank of Poland); Lazinskaya Agata (HSE); Totmyanina Kseniya (Sberbak Russia); Lapshin Victor (HSE); Pomazanov Mikhail (Bank Zenit); Penikas Henry (HSE); Stolbov Mikhail (MGIMO, Russia); Kiselev Vadim (Bank of Russia) et al.	Third quarter 2018	Ongoing	Book proposal to be finished

Abstracts

Book 1. 1. Strategic deals in emerging capital markets. Are there efficiency gains?

The authors: Ivashkovskaya Irina (HSE) - editor; Nivorozhkin Eugene (UCL) - editor; Grigorieva Svetlana (HSE) - co-editor; Rodionov Ivan (HSE); Karla Motta Kiffer de Moraes (Arcadis NV Brasil); Luiz F. Autran M. Gomes (Ibmec School of Business and Economics Brasil), Rajesh Chakrabarti (Jindal Global Business School India), Skvortsova Irina (HSE); Deng Junzhi (HSE); Shcherbakov Dmitry (Bain&Co); Pavel Yakovenko (HSE); Lazebny Andrei (Deloitte), Khvostov Alexander (Deloitte); Mikhal'chuk Vitaly (ROSGEO), Baranovskaya Anna (HSE, MTS), Stemasova Margarita (Deloitte); Elena Chvyrova (E&Y, Russia).

Abstract

The industrial development of emerging markets has been a powerful driver of mergers and acquisitions. Past decades show an increase in M&A activity, both in terms of the number of deals and the market value involved in these deals. The permanent increase in the number of M&A deals, both in developed and emerging markets, has led to growing interest of researchers in M&As performance. Numerous

empirical studies have investigated the influence of corporate acquisitions on performance improvements and also have tried to reveal the main determinants of M&A performance. Nevertheless, there is still no consensus on value creation by these strategic deals. Moreover, academic papers mainly concentrate on the effects of M&A strategies in developed countries, while such effects in countries with emerging capital markets are much less explored. But given the specificity of macroeconomic and institutional environment of emerging capital markets, the value creation process and effects of M&A strategies may substantially differ.

The book aims to contribute to the identification of the shareholder value creation through M&A strategies and the drivers behind the success and failures of these deals in specific business environment of emerging capital markets.

The book provides several extensions to the literature. First, based on the same time period, methodology and sample selection procedure we analyze the performance of M&As in developed markets and emerging capital markets to compare the impact over value creation. We demonstrate the differences in deal-performance relationship. Moreover, we also compare the drivers behind M&A premium in developed and emerging capital markets. Second, along with the application of traditional methods of M&A studies (event study, accounting studies) we introduce the new model of performance, namely economic profit (residual income) which incorporates the cost of capital and economic spread and therefore, better captures the drivers behind fundamental value changes. Third, we identify the difference in the impact of horizontal, vertical and conglomerate deals on shareholder's value in emerging markets for both domestic and cross border M&A. Forth, we reveal success factors in M&A for knowledge intensive firms based on the evidence from Brazil. Fifth, we analyze the impact of the economic crisis of 2008-2009 on the performance of M&A in emerging markets.

Book 2. Corporate financial architecture and corporate performance in emerging capital markets (the content is presented in the annex 3).

The authors: Ivashkovskaya Irina (HSE) – co-editor; Stepanova Anastasia (HSE) - co-editor; Joseph McCahery (TU); Nivorozhkin Eugene (UCL); Kokoreva Maria (HSE).

Abstract

As of now, a great deal of papers is devoted to the performance effect of one or another corporate governance issues like foreign ownership, board size or number of independent directors. All these studies provide us with the so-called 'stylized models' that prove a separate hypothesis and explain the influence of an exact separate governance characteristic over performance. But the knowledge of the interrelations between these non-financial characteristics remains quite limited. In this book we consider company's financial architecture as a system of interrelated mechanisms including ownership structure, legal form, capital structure and corporate governance. We study the influence of corporate financial architecture on the firm performance starting from its market capitalization to the company's default probability. First, to address the lack of research in corporate performance modelling in emerging markets we contribute to the literature by introducing analysis of corporate financial architecture and market performance of companies in different emerging markets. Second, we pay specific attention to the endogeneity question. Recent studies on ownership structure discuss the endogenous character of

company's ownership structure, while in emerging markets where the privatization process is a part of the recent history this question is of extreme importance. Third, we develop the methodology based on the cluster analysis that enables to demonstrate the existence of sustainable types of financial architecture in a homogenous business environment. Finally, we study specific non-financial drivers of firm performance in times of global financial crisis.

Book 3. Asset pricing anomalies in emerging capital markets.

The authors: Teplova Tamara (HSE) - editor; Antonio Fasano (Rome, Italy), Qaiser Munir (Malaysia); Mikova Evgeniya (HSE).

Abstract

The book summarizes research conducted by professors and experts in the field of financial economics for the past twenty-five years, and demonstrates puzzles and the specificity of the problems in emerging capital markets. The spectrum of the results of comparative studies in developed and emerging capital markets aims to deepen understanding of market's behavior based on market imperfections and to add expertise in testing the concept of information efficiency of markets. The book presents the most controversial anomalies (size and value premiums, the effects illiquidity of assets in emerging markets, premium for currency risk, momentum and reversal effects, calendar anomalies).

We compare the methods for disclosure of market inefficiencies and ranking of countries in terms of informational inefficiency.

The book has shown features of asset pricing in emerging capital markets (for example, BRIC, developed European and emerging capital markets) with a focus on the Russian market. The book show how on explanatory power of pricing models affect 1) the process of liberalization of markets or restrictions on the capital movement 2) market integration, 3) institutional changes. Emphasis is placed on the study of rational explanation in profitability, as well as taking into account the behavioral aspects, including the effect of foreign capital and institutional factors. The book explores examples and factors that combine emerging markets into common group, to identify common features of investment. In this book we attempt to prove that the frequently used argument about the ineffectiveness of the emerging markets of the dispute and that the anomalies are specific features that need to be considered in all investment decisions. The book identifies the risks that are relevant to the EM, explains why the standard metric of diagnosing the risks of investing in stocks is not suitable.

The whole book is divided into 7 Chapters. The book starts with the discussion of understanding of market's behavior based on EMH and market imperfections (Chapter 1). Chapter 2 deals with the asset pricing models and present comparative analysis of the results of previous empirical studies in developed and emerging capital markets. Chapter 3 provides the results of testing the alternative risk metrics (pricing of skewness) and discusses time-varying premia for tail risk exposures in EM. Chapter 4 deals with the assets liquidity premium and premium for currency risk. Chapter 5 provides comparative analysis of the results of previous empirical studies in developed and emerging capital markets with effects of inertia (Momentum and Reversal Effects) and methods and tests of their behaviour and

rational explanations. Chapter 6 present the results of market reaction to the announcements and effects of announcement drifts. Chapter 7 provide the comparative analysis of seasonal patterns in Asset Return and considers calendar effects in developed European and emerging capital markets.

Book 4. Advances in Capital Structure Policies in Emerging Markets.

The authors: Ivashkovskaya Irina (NRU HSE) - co-editor; Kokoreva Maria (NRU HSE) - co-editor; Nivorozhkin Eugene (University college London); Makeeva Elena (NRU HSE); Pirogov Nikita (NRU HSE).

Abstract

The monograph is focused on the relevance of concepts and motives for corporate financing decisions in specific environment of emerging capital markets. The book enhances existing academic literature on capital structure by several contributions. First, on a sample of 400 large non-financial companies from BRIC and Eastern Europe we test whether classical capital structure theories (the dynamic trade-off and the pecking order theories) are applicable to emerging capital markets. Second, we find the interaction of internal and external determinants for the speed of adjustment to the target capital structure. We compare the common features and contrast the peculiarities of financing decisions in different countries and across time. Third, we emphasize the changes associated with the financial crisis 2007-2009 and apply regime-switching models to identify the way the capital structure choice changes depending on varying macroeconomic conditions. Fourth, we analyze the financing decisions from the perspective of organizational life cycle (the sample is enlarged for this step of analysis). Fifth, we test the relevance of the alternative theories: the market timing, the agency costs theory and the behavioral theory. Finally, we contribute to the understanding of zero debt puzzle and the degree to which companies in emerging markets tend to obviate debt before and after the crisis.

Book 5. Finance risk estimation and modeling in emerging markets.

The authors: Kabanov Yuri (University de Franche-Comté); Karminsky Alexander (HSE); Juan-Pablo Ortega (St. Gallen University Swizaland); Pavel Smaga (National Bank of Poland); Lazinskaya Agata (HSE); Totmyanina Kseniya (Sberbak Russia); Lapshin Victor (HSE); Pomazanov Mikhail (Bank Zenit); Penikas Henry (HSE); Stolbov Mikhail (MGIMO, Russia); Kiselev Vadim (Bank of Russia) et al.

Abstract

Regulation and practice of risk assessment for developing countries have some peculiarities. Despite that main Basel standards are respected, their full-scale realization remains complicated due to the feature of banking systems. Even more problems appear with realization of parallel agreements for insurance systems named as Solvency II. Therefore, elaboration of methods and models of risk assessment for such countries presents an acute problem. The essence of this process consists in defining approaches and methods of implementing special models targeting estimation of both components of risks (probability of default, expected losses) for financial institutions in emerging countries and the modeling of these components, and ratings being an integral risk measures.

The proposed manuscript integrates the achievements of authors at this field pointed at emerging markets, especially in Russia and BRICS. We consider theoretical approaches as well as empirical results, which were attached obtained with practical requests and research activity of our composite authors. First of all, our researches were published in the number of papers as well as in some books in English (such as manuscript "Handbook of ratings" which was published by Springer Publishing House at 2016) and in Russian. So we will be able to finish the offered project within one year, since the end of 2017.

Our proposal includes five parts. The first one highlight systematically features on banking systems in emerging countries putting emphasis on sources, regulation, and culture of risk assessment on financial markets of this group of countries, including BRICS ones.

The second part is dedicated to ratings and rating systems which exist at regional, sectional and international level. Transformation of rating companies, appearance and development of alternative companies to Big 3 agencies (Moody's, Standard & Poor's and Fitch) draws the most attention. The particular attention is paid to the experience of regulating rating activity in Europe and Asia (ESMA, Danon), comparison of them and the process of creating international rating agencies by emerging countries.

The third part is a culmination of the book and contains main scientific research in the field of involvement of internal and external systems of risk assessment on emerging markets. It concentrates on rating modeling, risk components for banks, insurance companies and financial market, as well as operational and liquidity risks.

The fourth part covers the methods of assessment of systemic risks and stress-testing of the whole banking and financial systems and their elements. These problems are among the most important at last decades. We think that new results of our cooperation will be useful not only for theoretical but also for a practical usage. So publication of such book will be very reclaimed not only for student and researches but also for practical utilities for regulator and commercial financial companies.

The last fifth part systemizes peculiarities of mathematical instruments and models used for assessing financial risks on emerging markets. Moreover, these peculiarities are compared with those of advanced countries and within precise groups of emerging countries (BRICS, CEE, CIS, etc.) as well. We think that our systemization and new methods will be useful for the development of this topic during the next few years.