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Abstract

Economists have accumulated considerable evidence and knowledge on the effects of the takeover market. Here, I focus on current aspects of the controversy. My assessment is that the market for corporate control is creating large benefits for shareholders and for the economy as a whole by loosening control over vast amounts of resources and enabling them to move more quickly to their highest-valued use. This is a healthy market in operation, on both the takeover side and the divestiture side, and it is playing an important role in helping the American economy adjust to major changes in competition and regulation of the past

Citation

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G32 Financing Policy; Financial Risk and Risk Management; Capital and Ownership Structure; Value of Firms; Goodwill

G34 Mergers; Acquisitions; Restructuring; Voting; Proxy Contests; Corporate Governance

G35 Payout Policy

G38 Corporate Finance and Governance: Government Policy and Regulation

K22 Business and Securities Law

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