

and statistically significant.  $\phi$  and  $\phi'$  have the expected negative sign<sup>5</sup>, but are not statistically significant - possibly because of moderate cross sectional variation. When attention is restricted to smaller blocks (Table 11), voting power indexes loose explanatory power. This seems consistent with smaller blocks premia being affected, with equal strength, by the voting and the liquidity component. In this subsample we also detect an asymmetry between the buyer and the seller, which we are not able to rationalise. Indeed, while the sign of the seller's voting power is positive and marginally significant the buyer's is negative, even if not significant.

#### **4. Concluding Comments**

Seller's and buyer's power index differentials are correlated with block premia in a sample of block transactions. Correlation coefficients are large, statistically significant, with the expected sign and stable over time for large block transactions, which are associated with the transfer of considerable voting power.

Block premia for smaller blocks, which in our sample transfer little voting power, are uncorrelated with Shapley values. Premia on smaller blocks are probably affected by market liquidity rather than private benefits, as suggested by the smaller correlation coefficients between block premia and block size.

Results concerning larger blocks are consistent with the view that private benefits deriving from control of a company are divisible, and that the share of private benefits accruing to each shareholder is proportional to the probability of being pivotal in a controlling coalition. It also confirms that voting power differentials can provide help in pricing blocks. Further progress in this area requires abandoning the assumption that private benefits are unrelated to capital structure - a step which is in our research agenda.

#### **REFERENCES**

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<sup>5</sup> Outsiders' power index is likely to have been overestimated due to our assumption of co-ordinated behaviour. Yet the sign of our correlation coefficient do not seem to suffer - possibility because the cross sectional distribution of  $\phi$  is not significantly altered by this measurement problem.