

# **Institutions, Information Frictions, and Corporate Behavior: Evidence from Executive Networks, Judicial Reforms, and Media Regulation in China**

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## **Abstract**

Using evidence from executive alumni networks, judicial reform, and media regulation in China, this dissertation shows how both informal institutions and formal institutional reforms influence corporate behavior and market efficiency.

Chapter 2 studies how executive networks affect corporate innovation. By constructing a large-scale alumni network based on 179,319 verified educational records of executives and directors of Chinese listed firms, this chapter shows that firms with high-centrality CEOs invest significantly more in R&D. Mechanism analyses suggest that network centrality improves access to information and financial resources.

Chapter 3 examines whether the establishment of interprovincial circuit tribunals in China improves judicial independence by deterring political interference. Using 3,367 commercial litigation cases involving listed firms from 2012 to 2021, this chapter finds that this reform significantly reduces politically biased court outcomes, improves judicial accessibility, and mitigates local protectionism.

Chapter 4 investigates how a media regulatory reform affects news coverage quality and the corporate information environment. Using a dataset of 154,312 news articles on Chinese listed firms from 2011 to 2020, this chapter shows that a nationwide reform that revoked and consolidated local reporter stations reduces optimistic reporting bias, enhances the market relevance of news coverage, and strengthens the disciplinary role of the media. However, central political pressures continue to affect reporting volume and tone during key political events.

Taken together, this dissertation contributes to the literature on institutions and corporate finance by demonstrating how informal institutions and formal institutional reforms can reduce information frictions and strengthen market functioning in developing economies.