



FACULTY & RESEARCH

Article | Review of Finance

Czech Mate: Expropriation and Investor Protection in a Converging World

by [Mihir A. Desai](#) and Alberto Moel

Abstract

This paper examines the expropriation of a foreign investor by a local partner and the subsequent resolution of that case through international arbitration in favor of the investor. Despite the investor's 99% interest in joint venture, the local partner managed to divert the entire value of the underlying entity for his personal benefit. This clinical examination of an expropriation and its aftermath illustrates the interaction of property and contract rights in a global setting, how corporate control is shaped by geography, and how multinational firms may be advantaged by availing themselves of stronger investor protections than local firms.

Keywords: [Joint Ventures](#); [Capital Markets](#); [Foreign Direct Investment](#); [Geographic Location](#); [Multinational Firms and Management](#); [Governance Controls](#); [Courts and Trials](#); [Rights](#); [Czech Republic](#); [United States](#);

Format: Print 31 pages [SSRNFind at Harvard](#)

Citation:

Desai, Mihir A., and Alberto Moel. "[Czech Mate: Expropriation and Investor Protection in a Converging World.](#)" *Review of Finance* 12, no. 1 (2008): 221–251. (This paper is a revised version of ECGI Working Paper No. 62/2004.)

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