Frontiers in Business, Economics and Management
ISSN: 2766-824X | Vol. 12, No. 2, 2023

Political Connections, Corporate Transparency, and Investor Protection

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Abstract: This paper examines the impact of political connections of listed companies on the level of investor protection using China A-share listed companies as research samples from 2010 to 2021. The research reveals that corporate political connections can enhance the level of investor protection, and this conclusion holds true after a series of robustness tests. Mediation mechanism tests indicate that political connections, by increasing corporate transparency, contribute to the improvement of investor protection. This study provides important insights for safeguarding investor interests, boosting investor confidence, and reducing the difficulty of corporate financing.

Keywords: Corporate Political Connections, Investor Protection, Corporate Transparency, Capital Market Development.

1. Introduction

Corporate political connections are a highly scrutinized topic in today's business environment. With the continuous development of the global economy and the expansion of companies on a global scale, the connection between businesses and politics has become even more pronounced. This connection not only influences corporate decision-making but also has profound effects on investors. This paper aims to delve into the relationship between corporate political connections and investor protection, revealing through empirical analysis the potential impact of this connection on investor rights.

Investor protection is a crucial element in ensuring that investors have rights and are treated fairly in corporate governance. In this era of information explosion and globalization, investors show an increasing concern for the governance structure of companies and the behavior of management. Meanwhile, companies often pursue their interests by interacting with the political system, which includes establishing relationships with government officials, political parties, or other political entities. Whether such corporate political connections have a positive or negative impact on investor protection has become a focal point of academic and business attention.

Globally, corporate political connections can take various forms, including political contributions, lobbying, and personal relationships between top management and political leaders (Wei et al., 2023). While these connections may bring certain benefits to companies in the short term, their potential long-term impact could negatively affect investors. Therefore, understanding the relationship between corporate political connections and investor protection helps reveal the potential risks and opportunities behind these connections.

In conclusion, this paper will employ an empirical analysis approach, using A-share listed companies from 2010 to 2021 as samples. It will utilize a panel fixed-effects model to investigate the impact of corporate political connections on investor protection and its underlying mechanisms. This research aims to enhance the understanding of how political connections affect investor protection, expanding the economic consequences of corporate political connections. The findings will provide valuable insights for corporate decision-makers, scholars, and regulatory bodies, fostering the establishment of a healthier, more transparent, and fair corporate governance environment.

2. Theoretical Analysis and Hypothesis Formulation

2.1. Political Connections, and Investor Protection

2.1.1. Sub-section Headings

Corporate political connections also constitute an intangible asset for companies (Fisman, 2001). Political connections can bring resources and support to companies, fostering corporate philanthropy and furthering corporate social responsibility, thereby providing benefits to stakeholders. In certain situations, this can translate into protection for investors. The critical resources required for a company's sustained development are often not entirely owned by the company. To enhance control over external resources, companies need to implement minimal restrictive measures (Pfeffer and Salancik, 2015). Political connections can also yield benefits from the government, such as tax incentives and debt financing (Faccio et al., 2006; Fan, J. P. H. et al., 2007). Government support may help companies better navigate market competition, improve long-term stability, and safeguard investor interests. Political connections may reduce the impact of political instability, decrease external risks, and enable companies to achieve greater stability, making them more attractive to investors and thereby enhancing investor protection.

In companies with weaker political connections, accounting transparency tends to increase with the degree of political connections (Liu et al., 2017). Therefore, increased transparency may lead companies to comply more with legal regulations, adhere to prescribed standards, and elevate transparency levels, ultimately benefiting investor protection regulations and improving overall corporate governance. Companies with political connections exhibit better corporate social responsibility (Xu and Liu, 2020). Political connections bring about an awareness of social responsibility, making

companies more attentive to societal obligations, including responsibilities to investors. Companies may actively fulfill their social responsibilities, including increasing transparency, to meet investor expectations through interactions with the political system.

In summary, the following hypotheses are proposed:

H1: Corporate political connections have a significantly positive impact on investor protection.

H2: Corporate transparency plays a mediating role in the positive impact of corporate political connections on promoting investor protection.

3. Research Design

3.1. Research Sample and Data Source

This study utilizes the complete set of Chinese A-share listed companies from 2010 to 2021 as the research sample. The fundamental company information and key financial data are sourced from the CSMAR database, while the Investor Protection Index is obtained from the Investor Protection Research Center at Beijing Technology and Business University.

Several data preprocessing steps were undertaken:

Exclusion of financial industry data.

Removal of ST and *ST data.

Elimination of samples with missing financial data.

Following these procedures, a total of 23,576 observations were obtained. Additionally, a further refinement involved trimming continuous variables at the top and bottom 1% to mitigate the impact of outliers on the research conclusions. All data processing procedures were conducted using Excel and Stata 17.

These meticulous data handling steps contribute to the reliability and robustness of the study's outcomes.

3.2. Research Variables

3.2.1. Dependent Variable: Investor Protection

Drawing inspiration from Wang Yunchen et al. (2017), the crucial dependent variable, the measure of investor protection, is gauged using the "Accounting Investor Protection Index" released by the Investor Protection Research Center at Beijing Technology and Business University. This index, established within the framework of accounting investor protection theory, assesses the extent to which listed companies protect investor interests by evaluating five indicators. It has been verified to effectively measure the level of investor protection by Chinese listed companies, demonstrating good explanatory power for violations and accounting earnings in the subsequent year (Xie Zhihua et al., 2014).

3.2.2. Independent Variable: Political Connections (PC)

The explanatory variable in this study is Political Connections (PC), following the approach of Luo Xiying et al. (2019). If either the chairman or CEO of a company has held or currently holds a government position, PC is assigned a value of 1; otherwise, it is 0, indicating the degree of the company's political connection. In further robustness checks, referencing studies by Fan, J. P. et al. (2007) and Jia Ming and Zhang Zhe (2010), the level of political connection is represented by PCLevel. If the chairman or CEO has served or is currently serving in government, party committees (discipline inspection commissions), people's congress, political consultative conference, procuratorate, or the judiciary, PCLevel is assigned values as follows: cadre at the division level (PCLevel = 1), cadre at the bureau level (PCLevel = 2), cadre at the department level (PCLevel = 3), cadre at the ministerial level (PCLevel = 4), and no political connection (PCLevel = 0). If data are available for both definitions of PCLevel, the maximum value is considered as the level of political connection for the company.

3.2.3. Mediating Variable: Information Transparency (Dscore)

Drawing from the research of Xin Qingquan et al. (2014) and Li Xiaohui and Yang Kun (2016), information transparency (Dscore) is adopted as the mediating variable. Using information publicly disclosed by the Shenzhen and Shanghai stock exchanges in the CSMAR database, transparency of listed companies is assessed as either "fail," "pass," "good," or "excellent," corresponding to values 1, 2, 3, and 4, respectively.

3.2.4. Control Variables

Building upon existing literature (Li Shanmin et al., 2016) (Wang Yunchen et al., 2017), the regression model incorporates several control variables that may influence investor protection. These variables include company size (Size), asset-liability ratio (Lev), return on assets (Roe), compensation incentives (Pay), growth (Growth), audit fees (Fee), the separation of ownership and control (CV), the shareholding ratio of the largest shareholder (Top), dual leadership roles (Dual), and the nature of the enterprise (Soe). For specific definitions, refer to Table 1.

Table 1. Variable definition table

	Variable	Variable definitions
Dependent Variable	IP	Accounting Investor Protection Index
Independent Variable	PC	For the sample companies, if they have political connections in the current year, assign a value of 1; otherwise, assign a value of 0.
	PCLevl	For the degree of political connection for sample companies in the current year, refer to the earlier definition.
Mediating Variable	Dscore	A=Excellent, B=Good, C=Pass, D=Fail, based on disclosures by the Shenzhen and Shanghai stock exchanges.
Control Variables	Size	Ln (Total Assets)
	Lev	End-of-period Total Liabilities divided by End-of-period Total Assets
	Roa	Net Profit divided by Total Assets
	Fee	Natural logarithm of the audit fees of the company
	Pay	Natural logarithm of the total compensation for the top three executives
	Growth	Operating income growth rate
	CV	The difference between ownership and control in the company
	Top	The shareholding ratio of the largest shareholder
	Dual	Assign a value of 1 if the CEO concurrently serves as the Chairman of the Board; otherwise, assign a value of 0.
	Soe	Assign a value of 1 if the company is state-owned; otherwise, assign a value of 0.

3.3. Model Construction

This study conducts empirical analysis by constructing the following fixed-effects regression models:

First, the baseline regression model (1) is established to examine whether corporate political connections can promote activities that protect investors, validating Hypothesis 1. In Model (1), where PC represents the degree of corporate political connections, and IP represents the investor protection index:

$$IP_{it} = \alpha_0 + \alpha_1 PC_{it} + \alpha X_{it} + \sum indi + \sum year + \varepsilon_{it} \quad (1)$$

Second, following the approach of Wen Zhonglin and Ye Baojuan (Wen Zhonglin and Ye Baojuan, 2014), we examine whether corporate transparency plays a mediating role in the relationship between corporate political connections and investor protection. Building on Model (1), the second step establishes Model (2) to test the impact of corporate political connections on the level of corporate transparency, where Dscore represents the level of corporate transparency. In the third step, Model (3) includes both corporate political connections and corporate transparency in the investor protection regression model, validating Hypothesis 2.

$$Dscore_{it} = \beta_0 + \beta_1 PC_{it} + \beta X_{it} + \sum indi + \sum year + \varepsilon_{it} \quad (2)$$

$$IP_{it} = \gamma_0 + \gamma_1 PC_{it} + \gamma_2 Dscore_{it} + \gamma X_{it} + \sum indi + \sum year + \varepsilon_{it} \quad (3)$$

Here, i represents the sample companies, t represents the year, and ε is the random error term.

4. Empirical Analysis

4.1. Descriptive Statistics

Table 2 presents the descriptive statistics results for this study. It can be observed that the mean of the Investor Protection Index (IP) is 55.70, with a maximum value of 74.43 and a minimum value of 28.34. This indicates significant variations in the level of investor protection among Chinese listed companies. The mean of Corporate Political Connections (PC) is 0.298, with a maximum value of 1 and a minimum value of 0, while the mean of the Political Connection Level (PCLevel) is 0.923, with a maximum value of 4 and a minimum value of 0. This suggests considerable differences in the political connections across different companies.

The mean of the intermediary variable, Corporate Transparency (Dscore), is 3.016, with a maximum value of 4 and a minimum value of 0, signifying substantial differences in transparency levels among different companies. Descriptive statistics for the control variables align closely with existing literature.

Overall, these results underscore the considerable heterogeneity in investor protection, corporate political connections, and transparency levels among Chinese listed companies, providing a foundation for the subsequent analyses.

Table 2. Descriptive Statistics of Variables

Variable	Obs	Mean	Std.dev.	Min	Max
IP	23,576	55.70	4.510	28.34	74.43
PC	23,576	0.298	0.457	0	1
PCLevel	23,576	0.923	1.506	0	4
Dscore	23,576	3.016	0.653	1	4
Size	23,576	22.13	1.291	15.58	28.64
Lev	23,576	0.431	0.362	-0.195	31.47
Roa	23,576	0.0385	0.210	-2.285	20.79
Fee	23,576	13.80	0.680	9.210	21.42
Pay	23,576	15.28	0.713	10.08	18.86
Growth	23,576	1.038	97.17	-1.309	14883
CV	23,576	4.435	7.375	-7.640	58.14
Top	23,576	0.331	0.146	0.0243	0.900
Dual	23,576	0.302	0.459	0	1
Soe	23,576	0.306	0.461	0	1

4.2. Regression Results of Corporate Political Connections on Investor Protection Index

The sub-table in Table 3 presents the regression results of corporate political connections on the Investor Protection Index. In column (1), without considering fixed effects for years and industries, the regression coefficient for Corporate Political Connections (PC) is 0.1893, exhibiting a significant positive correlation at the 1% significance level. This indicates a substantial enhancement in the level of accounting investor protection due to corporate political connections. In column (2), after controlling for fixed effects for years and industries, the coefficient for Corporate Political Connections (PC) remains positively significant at the 1% level. These results suggest that corporate political connections significantly elevate the level of accounting investor protection.

The economic implications reveal that, considering control variables, year fixed effects, and industry fixed effects, the coefficient for Corporate Political Connections (PC) is 0.2215. This implies that, holding other factors constant, for each increase of 1 standard deviation in political connections, the level of accounting investor protection will increase by approximately 2.24% (0.2169 * 0.457/4.510), demonstrating economic significance. In conclusion, hypothesis H1 is supported, and the VIF test values, ranging between 1 and 2, are all below 10, indicating the absence of multicollinearity issues.

Table 3. Baseline Regression Results of Political Connections

	(1) IP	(2) IP
PC	0.1893***	0.2215***
	(3.2092)	(3.7741)
Size	0.6482***	0.7144***
	(18.9836)	(20.6652)
Lev	-1.5962***	-1.6634***
	(-20.5329)	(-21.6555)
Roa	0.1262	0.0161
	(0.9660)	(0.1263)
Fee	0.2446***	0.3860***
	(4.0787)	(6.2796)
Pay	1.2972***	1.2206***
	(28.7503)	(26.4378)
Growth	-0.0005*	-0.0005*
	(-1.6615)	(-1.6968)
CV	0.0118***	0.0058
	(3.1887)	(1.5885)
Top	1.7862***	2.0475***
	(9.2534)	(10.7326)
Dual	-0.4141***	-0.4447***
	(-6.7565)	(-7.4177)
Soe	0.7949***	0.6797***
	(11.9925)	(10.2315)
_cons	18.0173***	19.8273***
	(27.2727)	(26.5951)
YearFE	no	yes
IndFE	no	yes
N	23576	23576
r2_a	0.1679	0.2091

5. Robustness Checks

5.1. Replace Independent and Dependent variables

To ensure the robustness of the research findings in this paper, we adopted the political connection level (PClevel) as a measure of the degree of political connections, as suggested by Fan (Fan, J. P. et al., 2007) and Jia Ming and Zhang Zhe (Jia Ming and Zhang Zhe, 2010). The specific definition has been explained in the previous sections. In the first set of results (Column 1), the findings indicate that the level of political connections significantly promotes investor protection at a 1% significance level.

To gauge investor protection using financial report quality (Audit), we followed the approach of Jiang Fuxiu et al. (Jiang Fuxiu et al., 2008). Financial report quality reflects the authenticity and accuracy of a company's annual report data. The more authentic the data, the better the quality of information external investors receive, thereby enhancing the protective effect. Given that an unqualified opinion indicates high accuracy in annual report information, it is assigned a value of 1. On the other hand, qualified opinions with explanatory paragraphs, qualified opinions, unqualified opinions with explanatory paragraphs, and disclaimers are assigned a value of 0. Column 2 demonstrates that political connections (PC) significantly improve financial report quality at a 1% significance level.

To measure investor protection using related-party transactions, which are often used by controlling shareholders to extract resources and benefits, we followed the approach of Zheng Guojian et al. (Zheng Guojian et al., 2013). Large shareholders, who usually control the company's management directly or indirectly, may impact other investors' legitimate rights through related-party transactions. Therefore, this paper uses the frequency of related-party transactions (Related) to gauge investor protection. In Column 3, the results indicate that political connections (PC) significantly reduce the occurrence of related-party transactions at a 1% significance level.

Thus, the robustness tests demonstrate that the conclusions of Hypothesis 1 in this paper are sound and reliable.

Table 4. Robustness Test Regression Results

	(1) IP	(2) Audit	(3) Related
PC		0.0087***	-3.0754***
		(3.1360)	(-4.5262)
PCLevel	0.0858***		
	(4.8065)		
Size	0.7091***	0.0356***	17.1924***
	(20.4885)	(21.7300)	(42.9548)
Lev	-1.6614***	-0.1238***	13.5310***
	(-21.6323)	(-34.0232)	(15.2145)
Roa	0.0163	0.0560***	-1.5655
	(0.1280)	(9.2529)	(-1.0589)
Fee	0.3862***	-0.0578***	7.8073***
	(6.2844)	(-19.8492)	(10.9710)
Pay	1.2192***	0.0272***	-6.0685***
	(26.4147)	(12.4461)	(-11.3527)
Growth	-0.0005*	0.0000	-0.0017
	(-1.6938)	(0.0554)	(-0.5441)
CV	0.0057	-0.0005***	0.5111***
	(1.5560)	(-3.0983)	(12.1116)
Top	2.0512***	0.1077***	8.5135***
	(10.7540)	(11.9164)	(3.8545)
Dual	-0.4447***	0.0093***	-1.3309*
	(-7.4229)	(3.2822)	(-1.9176)
Soe	0.6928***	0.0199***	9.3191***
	(10.4083)	(6.3222)	(12.1157)
_cons	19.9353***	0.5631***	-3.8e+02***
	(26.7462)	(15.9456)	(-44.0969)
YearFE	yes	yes	yes
IndFE	yes	yes	yes
N	23576	23576	23576
r2_a	0.2094	0.1142	0.2949

5.2. Instrumental Variable Method (2SLS)

To further alleviate endogeneity issues, this study adopts the approach proposed by Luo Xiyin (Luo Xiyin and Liu Wei, 2019), using the mean industry political connection level (mean_PCLevel) as an instrumental variable. Since this study has only one instrumental variable, there is no problem of over-identification. The results of the weak instrumental variable test show that the first-stage F-statistic is 306.95, which is greater than 10, and the minimum eigenvalue statistic is 300.84, exceeding 13.96 (at the 15% level). This indicates that mean_PCLevel has good explanatory power for the endogenous explanatory variable and is not considered a weak instrumental variable.

In summary, the choice of instrumental variable in this study is reasonable. Table 5 below presents the results of the 2SLS regression. Column (1) is the first stage of 2SLS, the regression of the instrumental variable (mean_PCLevel) on the endogenous explanatory variable (PC), with a coefficient of 0.337, significant at the 1% level. Column (2) shows the results of the second stage of 2SLS regression, where the coefficient of PC is 1.109, significant at the 5% confidence level. This implies that even after considering potential endogeneity issues, the positive impact of political connections on the level of accounting investor protection remains significant. Therefore, the conclusion of Hypothesis 1 is robust.

Table 5. Instrumental Variable Regression Results

	(1) first	(2) second
VARIABLES	PC	IP
mean_PCLevel	0.337***	
	(0.019)	
PC		1.109**
		(2.10)
Size	0.042***	0.611***
	(0.004)	(15.08)
Lev	-0.022***	-1.580***
	(0.009)	(-20.07)
Roa	-0.002	0.128
	(0.014)	(0.97)
Fee	-0.040***	0.284***
	(0.007)	(4.42)
Pay	-0.046***	1.338***
	(0.005)	(26.30)
Growth	0.000	-0.001*
	(0.000)	(-1.80)
CV	-0.001*	0.012***
	(0.000)	(3.32)
Top	-0.022	1.793***
	(0.021)	(9.24)
Dual	-0.054***	-0.364***
	(0.007)	(-5.35)
Soe	-0.101***	0.890***
	(0.007)	(10.34)
Constant	0.380***	17.363***
	(0.075)	(22.79)
YearFE	yes	yes
IndFE	yes	yes
Observations	23,576	23,576
R-squared	0.027	0.160

6. Mediation Mechanism Test

Table 6 presents the results of the direct relationship between the degree of political association transformation and investor protection. In column (1), the coefficient for political association (PC) is 0.2215, indicating a total effect on investor protection of 0.2215, significant at the 1% level. In column (2), the regression coefficient for the relationship between political association and the level of corporate transparency is 0.0655, significant at the 1% level. This suggests that a positive transformation in political association enhances corporate transparency. In column (3), when both political association and the level of corporate transparency are included in the regression model for investor protection, the coefficient for political association remains significant at the 5% confidence level. However, the coefficient decreases from 0.2169 in the first step to 0.1341, while the coefficient for corporate transparency is 1.3329, significant at the 1% level. This indicates that the level of corporate transparency acts as an intermediary variable in the driving effect of political association transformation on investor protection. Specifically, the total effect of political association on investor protection is 0.2215, and the indirect effect of improving corporate transparency as a mediator is 0.0873 (=0.0655*1.3329), representing approximately 39.4% of the total effect. To further validate the reliability of this mediation test, Sobel and bootstrap methods (500 times with replacement) were employed, confirming the existence of the mediation effect. Furthermore, a mediation test was conducted using the level of political association (PCLevel), and the results are shown in Table 7. In summary, hypothesis H2 is validated.

Table 6. Presents the regression results for testing the mediating effect of political connections (PC).

	(1)	(2)	(3)
	IP	Dscore	IP
Dscore			1.3329***
			(30.9796)
PC	0.2215***	0.0655***	0.1341**
	(3.7741)	(7.5202)	(2.3288)
Size	0.7144***	0.1371***	0.5316***
	(20.6652)	(26.7113)	(15.4553)
Lev	-1.6634***	-0.2485***	-1.3322***
	(-21.6555)	(-21.7858)	(-17.5170)
Roa	0.0161	0.2589***	-0.3290***
	(0.1263)	(13.6538)	(-2.6181)
Fee	0.3860***	-0.1763***	0.6209***
	(6.2796)	(-19.3101)	(10.2250)
Pay	1.2206***	0.1946***	0.9613***
	(26.4378)	(28.3758)	(20.8864)
Growth	-0.0005*	-0.0000	-0.0004
	(-1.6968)	(-0.7749)	(-1.5745)
CV	0.0058	-0.0006	0.0067*
	(1.5885)	(-1.1991)	(1.8626)
Top	2.0475***	0.5489***	1.3159***
	(10.7326)	(19.3741)	(6.9812)
Dual	-0.4447***	0.0228**	-0.4750***
	(-7.4177)	(2.5599)	(-8.0831)
Soe	0.6797***	0.1268***	0.5106***
	(10.2315)	(12.8569)	(7.8142)
_cons	19.8273***	-0.8697***	20.9865***
	(26.5951)	(-7.8551)	(28.6801)
YearFE	yes	yes	yes
IndFE	yes	yes	yes
N	23576	23576	23576
r2_a	0.2091	0.1687	0.2401

Table 7. Regression Results of Mediation Effect Test for PCLevel

	(1) IP	(2) Dscore	(3) IP
Dscore			1.3305***
			(30.9254)
PCLevel	0.0858***	0.0207***	0.0582***
	(4.8065)	(7.8076)	(3.3249)
Size	0.7091***	0.1362***	0.5278***
	(20.4885)	(26.5062)	(15.3298)
Lev	-1.6614***	-0.2484***	-1.3309***
	(-21.6323)	(-21.7745)	(-17.5021)
Roa	0.0163	0.2588***	-0.3280***
	(0.1280)	(13.6482)	(-2.6103)
Fee	0.3862***	-0.1763***	0.6207***
	(6.2844)	(-19.3138)	(10.2234)
Pay	1.2192***	0.1941***	0.9610***
	(26.4147)	(28.3080)	(20.8864)
Growth	-0.0005*	-0.0000	-0.0004
	(-1.6938)	(-0.7590)	(-1.5748)
CV	0.0057	-0.0007	0.0066*
	(1.5560)	(-1.2779)	(1.8448)
Top	2.0512***	0.5491***	1.3205***
	(10.7540)	(19.3839)	(7.0068)
Dual	-0.4447***	0.0222**	-0.4741***
	(-7.4229)	(2.4907)	(-8.0731)
Soe	0.6928***	0.1287***	0.5216***
	(10.4083)	(13.0171)	(7.9648)
_cons	19.9353***	-0.8408***	21.0541***
	(26.7462)	(-7.5953)	(28.7796)
YearFE	yes	yes	yes
IndFE	yes	yes	yes
N	23576	23576	23576
r2_a	0.2094	0.1689	0.2403

7. Conclusion and Implications

In the construction of the new development paradigm, the capital market can play a strategic supporting role. Strengthening investor protection can enhance investor confidence in the capital market. In light of this, this study uses data from Chinese A-share listed companies from 2010 to 2021 as the research sample to empirically examine the impact and mechanism of corporate political connections on the level of investor protection. After a series of analyses, the following conclusions are drawn:

Corporate political connections can enhance the level of investor protection, a conclusion that holds true even after robustness checks through the replacement of explanatory and response variables and two-stage least squares regression (2SLS). Mediation analysis reveals that corporate political connections increase corporate transparency, thereby enhancing the level of investor protection, with transparency contributing to approximately 39.4% of the overall mediation effect.

Based on the empirical analysis results, the following recommendations are proposed to fulfill the protection of investor interests by Chinese listed companies, boost investor confidence, and promote the increase in the proportion of direct financing:

The government should actively participate in supporting the process of corporate political connections through policy guidance and setting examples. This involvement can enhance corporate transparency and governance, strengthen supervision over corporate transparency, encourage companies to engage in political connections actively, and thereby boost investor confidence, ultimately protecting investor rights.

Companies should adopt a proactive attitude toward political connections, aiming to improve corporate transparency and governance. Leveraging the advantages of political connections, companies can enhance transparency by providing accurate and comprehensive information through disclosing clear reports on business operations and financial conditions. This approach contributes to elevating the level of protection for investor interests.

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