**Minority Share Acquisitions and Collusion: Evidence from the Introduction of National Leniency Programs**

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**Abstract:**

There is a growing concern that minority shareholding (MS) in rival firms may facilitate collusion.

To examine this concern, we exploit the fact that leniency programs (LPs) are generally recognized as a shock that destabilizes collusive agreements and study the effect that the introduction of an LP has on horizontal MS acquisitions.

Using data from 63 countries over the period 1990-2013, we find a large increase in horizontal MS acquisitions in the year in which an LP is introduced, especially in large rivals.

The effect is present however only in countries with an effective antitrust enforcement and low levels of corruption and only when the acquisitions involve stakes of 10% − 20%.

These results suggest that MS acquisitions may stabilize collusive agreements that were destabilized by the introduction of the LP.