

International Corporate Governance

Second Edition

Strategic Action Plans for Management and Investors

Summary

This book was conceived as a survey of selected major issues in international corporate governance. Its first edition was published at a time when the term corporate governance was largely unknown to investors, regulators or even corporate directors. *International* corporate governance was even more obscure, as many of the world's largest investors had not by then, or had only a couple of years previously, begun to invest outside their home countries.

The first edition, then, was a road map to the world's corporate governance regimes in the EAFE countries (Europe, Australia and the Far East), to which most institutions confined their international investments. Now that the field has blossomed and expanded exponentially, basic information on regulations is freely available (on the internet, for example) and attention may be focused on longer-range, more strategic, developmental issues.

By bringing together essays by a cross-section of leading specialists in the field today, this edition endeavours to address higher-level issues. These include:

- comparison and analysis of academic studies which try to quantify the financial and economic impact of varying governance approaches by corporates and investors (such as Viner and Melvin);
- analysis of how the implications of these studies and other empirical evidence can best be used by investors to increase the quality and sustainability of corporate returns (such as Abe, Mathur and Melvin);
- the continuous evolution and refinement of corporate governance regulations and regulators, and how both adjust and react to externalities such as corporate scandals and economic conditions (such as Brock, Hotz and Salameh, and Trevisan);
- the global proliferation of 'national' codes, the spread of 'global' codes, and the conflicts between global and local culture, governance codes and regulatory regimes – whether American or European-conceived codes of governance can or should be applied to companies in less-developed markets and how those markets and cultures are developing hybrid codes (such as Mathur and Melvin, Viner (Japan and China), and Simpson);
- how new communications technology can provide access (sometimes unwanted) to internal corporate chat, and its implications for investors and corporations (Carson and Felton);
- whether the relative quality of 'internal' corporate codes and 'external' national systems of governance regulations is quantifiable, and whether the resulting national and corporate ratings can be applied across vastly different cultures and regulatory regimes (Dallas and Bradley);
- the impact of one active insitutional investor's programme to motivate companies to improve their corporate governance (Anson, White and Ho); and
- some practical steps and recommendations for insitutional investors and fund managers in the monitoring of their investment portfolios.

The results, especially taken together, are thought-provoking and open the way to further debate and discussion.

In the Appendix, we have included some practical resources for corporate governance specialists, including a global list of corporate governance codes, relevant journals and newsletters, institutes, ratings organisations and academic programs.