Abstract

- Sound national systems of corporate governance are essential for all countries, including the poorest, to reap the benefits of globalisation.

- “Corporate governance” comprises the institutions that govern the relationship between people who manage corporations and all others who invest resources in them.

- The quality of local corporate governance critically affects a country’s ability to achieve sustained real productivity growth and the success of its long-term development efforts.

- Pyramidal corporate-ownership structures, cross shareholdings and multiple share classes are widely used by corporate insiders in the developing world to extract corporate-control rents, exploit other investors and resist pressures to improve corporate governance.

- The power of corporate insiders and their close relationship with those who exercise political power mean that sound corporate governance requires sound political governance, and vice versa.