Theoretical and Applied Economics
Volume XVIII (2011), No. 9(562), pp. 5-16

Corporate Governance in Emerging Economies: The Case of Romania

Niculae FELEAGĂ
Bucharest Academy of Economic Studies
nfeleaga@yahoo.com
Liliana FELEAGĂ
Bucharest Academy of Economic Studies
liliana_malciu@yahoo.com
Voicu Dan DRAGOMIR
Bucharest Academy of Economic Studies
voicudragomir@gmail.com
Adrian Doru BIGIOI
Bucharest Academy of Economic Studies
adrian.bigioi@realteam.ro

Abstract. *In Romania corporate governance has emerged beginning with the early 2000s. The delay is explainable by the difficult steps taken on the line of political, legal, economic and social reform. In recent years, however, the corporate governance environment in Romania has changed. Transparency and accountability have become key factors not only for shareholders, but also for investors, buyers, suppliers, and other stakeholders.*

In this context, it is worth to consider, based on statistical data, the degree of development of corporate governance in Romania. The selected indicators are linked to attributes of the Board of directors, in particular Board structure, size, independence, frequency of meetings, and other factors. The sources used are based on the official data published by companies listed on the Bucharest Stock Exchange (BSE). The results will be compared with results of other case studies of emerging countries and the European best practice.

Keywords: corporate governance; emerging economies; Romania; disclosure; corporate governance indicators.

JEL Code: G3.
REL Code: 17G.

1. Introduction

Corporate governance represents a set of "rules of the game" through which companies are managed internally and supervised by Boards of directors, aiming to protect the interests of corporate stakeholders. It specifies the distribution of rights and responsibilities among different participants in the corporation, such as the Board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. By doing so, it also provides the structure through which the company objectives are set, and the means of attaining those objectives and monitoring performance (OECD, 1999, p. 2).

The last three decades' ground-shaking bankruptcies, financial crises and the gap between executive compensation and corporate performance results have demonstrated that instituting corporate governance is not only a means to survive in today's world, it is a strategy to prosper. Corporate governance helps companies to attract investments and to enhance economic performance and competitiveness on the long term. A sound system of corporate governance insures that transparency is maintained in relation to all significant transactions of a company, especially through the adoption of disclosure standards in dealing with investors and creditors. Moreover, corporate governance aims to enhance the managerial attributes of a company, by limiting the abuse of power from insiders and by safeguarding the resources of companies, through a monitoring system insuring corporate accountability (Omar et al., 2004, p. 6).

Since the development of corporate governance has proven to be beneficial for companies, the regulators in developed countries have made substantial effort for updating and improving accountability systems. Corporate governance systems have been reformed through the issuance and the adoption of best practice codes. The implementation of corporate governance principles into the practices of enterprises is a non-mandatory practice, but it is subject to market pressure for conformance. As we speak, there are more than 180 corporate governance codes worldwide, which have a great degree of similitude and convergence regarding their formulations and content (Aguilera, Cuervo-Cazurra, 2004, pp. 417-446).

Drawn firstly in developed countries, best practice recommendations have been disseminated beyond their borders. Some emerging countries were quick in adapting some of these corporate governance codes. However, in order for corporate governance principles to have any impact in an economy, there must be a priori a set of core democratic market institutions. Therefore, instituting corporate governance in emerging countries necessitates more than just copying external models which display a proper functioning in developed economies. Emerging countries must make the passage from institutions of economic and political governance that tend to be heavily relationship-based to institutions that are more effectively rules-based. This passage is difficult because of the expropriation problem and because of the widely damaging effects of negative-sum game rivalry among powerful interest groups entrenched in local structure of political and economic power (CIPE, 2002, p. 9).

Our research aims to analyze the principles of corporate governance implemented by companies from emerging countries, where competitiveness in today's global economy is more difficult. The case of Romania serves the purpose of demonstrating that functioning market rules need to exist prior to the implementation of corporate governance codes, which would otherwise fail in their purpose of insuring accountability.

The rest of the paper is organized as follows. Section 2 discusses the background literature on corporate governance in emerging economies. Section 3 presents the corporate governance environment of Romania. Section 4 describes the research method and presents the results. In the final section, the conclusions are accompanied by a description of tentative avenues of research.

2. Background literature on corporate governance in emerging economies

In this section, we provide a brief overview of the theoretical and the empirical literature on the implementation of corporate governance principles in emerging economies. The literature focusing on these aspects is extremely rich. Some studies discuss the attributes and dynamic of corporate governance in only one emerging country (Black, 2001, on Russia, Jandik, Rennie, 2005, on Czech Republic, Sarkar, Sarkar, 2005, on India, Black, Jang, Kim, 2006, on Korea, Vitezić, 2006, Croatia, Siddiqui, 2010, Bangladesh). Other papers are multi-country studies (Faccio et al., 2001, Lefort, Walker, 2003, Klapper, Love, 2004, Allen, 2005, Durnev, Kim, 2005, Driffield et al., 2005, Love, Rachinsky, 2007).

The thematic approach is also different. Some studies are focusing on the economic behaviour of companies which are tied to a group or conglomerate which exerts control over them through a significant participation in their share capital. Conglomerates have been able to grow and increase their scope and self-intermediation practices even during times of fierce economic reform and deregulation (Lefort, Walker, 2000, p. 7). Therefore, several studies have sought to evaluate whether an entity's affiliation to a conglomerate is a good thing for the investors. Khanna and Palepu (1999, pp. 271-310) reported that in Chile and India the affiliation of a firm to such a conglomerate lead to a growth of economic performance and that the degree of diversification of the conglomerate increased performance only after it had reached a certain threshold. Still regarding Chilean companies, Lefort and Walker (2003, p. 8) indicate that affiliation to a group tends to decrease the value of the firm and that the effect is partially reduced when there is a separation between cash flow and control rights.

Other studies based on emerging economies have analyzed the impact of implementing corporate governance principles on the performance of entities. In 2001, Credit Lyonnais Securities Asia (CLSA) has devised a series of corporate governance rankings for 495 companies from 25 emerging countries. The report underlined the fact that companies ranked high on the governance index have better operating performance and higher stock returns. Klapper & Love (2004, pp. 287-322) used the governance rankings produced by CLSA to investigate the relationship between corporate governance and firm performance by employing multivariate regression. Their tests showed that better corporate governance is highly correlated with better operating performance and market valuation. Additionally, the two researchers emphasized the fact that well-governed firms benefit more in bad corporate governance environments and that firms can partially compensate for ineffective laws and enforcement by establishing good corporate governance and providing credible investor protection.

The study conducted by Black (2001, pp. 89-108) on a sample of Russian firms analyzed for the year 1999 reported a strong correlation between a corporate governance index and the market value. Similarly, for the period 1999-2004, Black et al. (2006, pp. 361-379) signaled an economically important and statistically strong correlation between governance and market value. In the financial sector there are some significant, but economically unimportant relationships between governance and contemporaneous operating performance and an even weaker link with the subsequent performance (Love, Rachinsky, 2007, p. 17).

Numerous other studies have focused on the role of debt in corporate governance systems from emerging economies. Debt is an important mechanism for solving monitoring issues in firms where there is a separation between ownership and control. It is obvious that managers have the incentive to extend the size of the company even by reducing corporate profits, because large companies are drivers of power, fame and remuneration for the respective managers. In this case, debt is imposed as a disciplinary mechanism, aiming to reduce agency costs and to align the interests of managers with those of the shareholders, within the “control hypothesis” for debt creation (Jensen, 1986, p. 326). Thus, Faccio et al. (2001, p. 2) noticed that companies from Eastern Asian countries that were more vulnerable to expropriation were more levered, giving the shareholder control of more resources to expropriate without direct liability for more debt. However, Tian (2005, p. 5) has found no evidence regarding the disciplinary role of debt, in the case of Chinese companies.

The study of Harvey et al. (2004, p. 24) on 18 emerging economies has diagnosed a limited disciplinary effect of debt, in correlation with the nature of the borrowed capital. Thus, the study indicates that the incremental benefit of debt is concentrated in firms with high expected managerial agency costs that are also most likely to have overinvestment problems resulting from high levels of assets in place or limited future growth opportunities. Subsequent internationally syndicated term loans are particularly effective at creating value for these firms.

Driffield et al. (2005, pp. 23-27) provided evidence that, on a sample of companies from Korea and Indonesia, higher ownership concentration is associated with higher leverage irrespective of whether a firm is family owned or not. But the effects of higher control rights on leverage and profit margin depend on whether a firm is family owned or not and also whether it has a controlling manager.

Similarly, Sarkar and Sarkar (2005) examined a sample of Indian companies, analyzing the role of institutional change in strengthening the disciplining effect or mitigating the expropriating effect of debt. The results indicated that, while in the early years of institutional change, debt did not have any disciplinary effect on either standalone or group affiliated firms, the disciplinary effect appeared in the later years as institutions become more market oriented. In addition, the study provided limited evidence of debt being used as an expropriation mechanism in group firms that are more vulnerable to such expropriation.

There are also studies which have attempted to characterize the models of corporate governance adopted in emerging countries. In developed countries there are two models of corporate governance: the shareholder model and the stakeholder model. While the former has the objective of shareholder value maximization, the latter aims to defend the interests of firm constituencies (employees, commercial partners, shareholders, managers etc.). The results of such studies indicate that some emerging economies tend to adopt the shareholder model, despite the fact that this model is based on hypotheses and mechanisms such as efficient markets and equity financing (Mukherjee-Reed, 2002, India, Reed, 2002, South Korea, West, 2006, South Africa). Many of the mentioned countries are former British colonies, with a common law system. Other emerging economies have adopted the stakeholder model (Rwegasira, 2000, on Africa, Vitezić, 2006, on Croatia, Feleagă, 2008, on Romania, Siddiqui, 2010, on Bangladesh), and some of them have been influenced by the French system of Roman law. In emerging economies, companies are less motivated to act in a socially acceptable manner, if their actions are not matched by the available resources. This justifies why the stakeholder model is more appropriate for such countries.

3. The corporate governance environment in Romania

Corporate governance became a part of Romanian economic life, both from a conceptually and from a regulatory point of view, at the beginning of 2000. This delay is the result of the many inconclusive efforts that targeted political, juridical, social and economic reforms. The governmental policy that was expected to liberalize the economy after the anti-communist revolution was still not completed after a decade of quasi-capitalism. At that time, a coherent strategy to extract benefits from national human and technological resources was still not implemented. The Bucharest Stock Exchange (BSE) opened for investors in 1995, while the National Securities Commission still had a long way to go to reach effectiveness; its lack of implication in scrutinizing the quality of financial reports and the impossibility of implementation of modern accounting policies lead to deep market inefficiencies.

On the other hand, the difficulties the banking system had to face were the main cause for a lack of implication in the market mechanism. The lack of trust of banks' stakeholders and minority shareholders prevented banks to be actively involved in providing and intermediating national capital. Consequently, the hypothesis that Romania had a functional market economy before the beginning of our century is unacceptable in our view, even if our European partners seemed to tolerate this difficult passage to capitalism.

This was the context in which, in 2001, the BSE adopted the first code of corporate governance addressed at those companies aiming to be listed at the "Plus Category" (meaning an "additional transparency layer"). This initiative was not successful, since only one company has entered into this layer. In the following years, BSE has created the Institute for Corporate Governance, aiming to educate the executives of listed companies into promoting adequate governance standards, in line with the White Book of Corporate Governance in Eastern Europe, which was partly designed by BSE. However, the implementation of corporate governance in Romania did exhibit some fundamental flaws and inconsistencies (Feleagă, 2008, p. 44):

- The lack of precise analyses concerning the relationships between shareholders and managers;
- The scarce involvement of all stakeholders in the decision-making process;
- The omission of a conceptual framework for an efficient market and its societal implications;
- The dubious implication of financial auditors in promoting corporate governance;
- The failed reforms in implementing an accounting system in accordance with international harmonisation;
- The poor control mechanisms impairing a fair, relevant, understandable and comparable financial disclosure.

In 2008, BSE adopted a new Code of corporate governance, having the OECD principles as basis of reflexion. The Code entered into force in 2009 and is voluntarily applied by companies listed at the BSE. The companies which decide on a partial or total compliance with the Code are required to file a Conformity declaration, similarly with the "comply or explain" principle from the United Kingdom. This Declaration enumerates the recommendations which have been explicitly implemented by the companies, as well as their implementation manner. The new Code of corporate governance is similar to those adopted by other European Member States and stipulates new rules which are important for managers and Boards of directors from Romanian companies. The BSE considers that the Code can only supplement the laws in vigour in Romania, e.g. the Company Law, the Accounting Law, the Financial Markets Law etc.

4. Methodological aspects: sample selection and results

The aim of the present research is to investigate, based on statistical data, the perceived importance of corporate governance principles in Romania. The source is the information publicly available from the companies listed at the BSE. At the end of 2010, 101 companies were registered at the BSE, of which: in the first tier – 25 companies; in the second tier – 49 companies; in the third tier – 1 company; and unlisted – 26 companies. For the purpose of this study, only the companies in the first tier were selected, because it is more likely that some of these companies have adopted the provisions of the Romanian Code of corporate governance, and have disclosed their conformity level. To obtain a relevant homogenous sample, we decided to eliminate 10 financial companies, and thus the final sample has 15 industrial companies and is presented in Table 1.

Table 1

Sample companies

Number	Company name
1	ALRO SA
2	ANTIBIOTICE S.A
3	AZOMURES S.A.
4	BIOFARM S.A.
5	C.N.T.E.E. TRANSELECTRICA
6	CONCEFA SA SIBIU
7	IMPACT DEVELOPER & CONTRACTOR S.A.
8	OIL TERMINAL S.A.
9	OLTCHIM S.A. RM. VALCEA
10	OMV PETROM S.A.
11	PREFAB SA BUCURESTI
12	ROPHARMA SA BRASOV
13	S.N.T.G.N. TRANSGAZ S.A.
14	SOCEP S.A.
15	TURBOMECANICA S.A.

The indicators used in this study are derived from attributes of the Board of directors: the size and structure of the Board, the independence of directors, the separation between the chairman of the Board and the executive officer, as well as the degree of disclosure in relation to these elements.

4.1. The size of the Board of directors

The number of members in the Board depends, in principle, on the relevant regulations specific to each country and to the sector to which the company belongs. The analysis conducted by Maier (2005, p. 8) reveals a great diversity concerning the size of the Board, with an average number ranging from 7.2 in New Zealand to 22.8 in Germany.

The BSE governance code provides that the Board must have a membership that guarantees the efficiency of its ability to monitor, analyze and evaluate the work of directors, as well as the fair treatment of shareholders. For companies in the sample, the average number of Board members is six. This average number is consistent with the Romanian Company law which provides for a minimum of three and a maximum of 11 members. Romanian average is lower than the European average of 12.5 members (Albert-Roulhac, Breen, 2005, pp. 19-29), a result which can be explained by the size of local companies and their ownership structure.

4.2. The structure of the Board of directors

Three indicators were used to analyze the structure of the Board: internationalization, age and diversity of members. Results showed that, in Romania, the share of foreign members of the Board of directors is 16%. Although the value is identical to the European average (Albert-Roulhac, Breen, 2005, pp. 19-29), it should be noted that only three of the 15 sample companies have foreign citizens as members. Moreover, for two of the three companies, the percentage of foreign members is over 70%, which is explained by the weight that foreign capital plays in these companies. The average age of Board members is 51 years. Board member's average age is 55 in Europe. On average, directors have been 5.6 years on the same Board, which is higher than in Romania (around four years). On European Boards, the number of women increased from 6% to 7% (Albert-Roulhac, Breen, 2005, pp. 19-29), while in Romania the percentage is much higher, around 16%.

4.3. The frequency of Board meetings

BSE governance code sets the minimum frequency of Board meetings. These should meet whenever necessary for the effective discharge of its responsibilities but it is advisable to have at least one meeting per quarter. The frequency of meetings for companies in our sample is six per year. In Europe, the average frequency of meetings for two-tier Boards is 6.7, while for unitary Boards it is 9.3 meetings (Albert-Roulhac, Breen, 2005, pp. 19-29).

4.4. The independence of Board members

The BSE Code of corporate governance states that the Board structure should ensure a balance between executive and non-executive members so that no person or group of people can dominate, in general, the Board's decisions. Moreover, a sufficient number of board members must be independent directors, meaning that they should not have or have recently had, directly or indirectly, any business relationship with the issuer or persons involved, of such importance to influence the objectivity of their opinions.

The analysis carried out on companies listed on BSE showed that 27% of them are reporting a high degree of independence of the Board of directors, while for 53% this attribute is lacking. Twenty percent of companies did not provide information on board independence. Analysis carried out by Maier (2005, pp. 9-10) showed the average percentage of board independence on a scale ranging from 1.5% in Germany to 81.3% in Switzerland.

According to the BSE Code of governance, the Board should establish an audit committee to assist in fulfilling the Board's responsibilities in the matter of financial reporting. This committee should be composed exclusively of non-executive directors and should also contain a sufficient number of independent directors. For our sample, 80% of companies did not ensure independence of the audit committee. The other companies did not provide relevant information to make an objective analysis on the independence of audit committee members. The study by Maier (2005, p. 10) found, on average, a degree of independence of the audit committee of 64.5%, varying from 4% in Japan to 95% in Canada, US, Ireland, UK, Netherlands and Luxembourg.

4.5. The separation between the chairman of the Board and the chief executive officer

According to "best governance practice" recommendations in developed economies, the Board appoints the chairman from among persons who are not part of management. For our sample, in 67% of the companies the positions of chairman and CEO are held by the same person. For the remaining companies, the two positions are held by different people.

4.6. The disclosure of director and executive remuneration

External users are interested, in addition to other information about the company, about the remuneration policy for board members and managers. The remuneration is the most influential factor on the level of participation directors and executive exhibit in relation to running the business. The BSE governance code provides that companies must benefit from the services of directors and executives with a good professional and ethical profile, in conjunction with a reliable remuneration policy, consistent with the strategy and long-term interests of those entities. The study by Maier (2005, p. 11), based on a sample of firms from 24 countries, showed that disclosure of information on remuneration of Board members and directors has an average of 84%.

None of the Romanian companies analyzed has disclosed information on executive or director remuneration. The absence of such information leads to an impossibility to corroborate director remuneration with Board meetings, as to compute an average compensation per meeting. In Europe, the average compensation per board meeting in 2005 was EUR 7301 (Albert-Roulhac, Breen, 2005, pp. 19-29).

4.7. The existence of a code of ethics

If you are considering the “best practices” of governance in developed economies, implementing a code of ethics is necessary. In Europe, on average, 73% of companies have such a code. In Romania, only 47% of companies provide information on the existence of a code of ethics.

5. Conclusions and directions for future research

Corporate governance is recognized as a key element in attracting investment and increasing economic performance and competitiveness in the long term. Globalization of financial markets has contributed to reducing the gap between advanced and emerging economies, in terms of corporate governance implementation. However, due to cultural, economic and social factors, emerging economies cannot yet speak of a comprehensive approach, especially when compared with developed economies.

In Romania, corporate governance has emerged in its regulatory and conceptual form in the early 2000s. The first corporate governance code was adopted in 2001. In 2008, it was replaced by a new corporate governance code, which is based on OECD principles. The new code is applied voluntarily by companies traded on a regulated market operated by the BSE. In this context, our research aimed to analyze a sample of companies listed on BSE, regarding the perceived importance of corporate governance principles in Romania. The collected indicators are related to attributes of the Board of directors: size, structure, frequency of meetings, independence, separation between the chairman and chief executive officer, and information disclosure.

Results showed that most sample companies do not meet the recommendations of the BSE code of corporate governance regarding the independence of directors and audit committee members. In addition, for most of the Romanian companies in our sample, the degree of transparency is much lower than that of other European companies.

There is much scope for further research in this area. Thus, the sample could be extended to companies in the banking sector, which would serve to verify if the situation is the same with entities from the financial industry. In addition, one could explore the incentives behind the Romanian companies' decision to implement the recommendations of the code of governance. The corporate governance impact on performance could also be established through a quantitative research employing other contextual predictors (economic, political, social, and cultural) of company performance.

Acknowledgements

This work was supported by CNCSIS–UEFISCSU, project number PNII – IDEI code 1859/2008, contract no. 837/2009.

References

Aguilera, R., Cuervo-Cazurra, A., „Codes of good governance world-wide: what is the trigger?", *Organization Studies*, 25 (3), 2004, pp. 415-443

Albert-Roulhac, C., Breen, P., „Corporate governance in Europe: current status and future trends", *Journal of Business Strategy*, 28 (6), 2005, pp. 19-29

Allen, F., „Corporate Governance in Emerging Economies", *Conference on Corporate Governance at the Said Business School*, Oxford University, January 2005

Black, B., „The Corporate Governance Behavior and Market Value of Russian Firms", *Emerging Markets Review*, 2, 2001, pp. 89-108

Black, B., Love, I., Rachinsky, A., „Corporate Governance Indices and Firms' Market Values: Time Series Evidence from Russia", *Emerging Markets Review,* 7 (4), 2006, pp. 361-379

CIPE, 2002, Instituting corporate governance in developing, emerging and transitional economies, Center for International Private Enterprise, http://www.cipe.org

Credit Lyonnais Securities Asia, "Saints and sinners: Who's got religion", Report , Aprilie 2001

Driffield, N., Vidya, M., Sarmistha, P., „How Ownership Structure Affects Capital Structure and Firm Performance? Recent Evidence from East Asia", *Working Paper*, 2005, http://129.3.20.41/eps/fin/papers/0505/0505012.pdf

Durnev, A., Kim, E.H., „To Steal or Not to Steal: Firm Attributes, Legal Environment, and Valuation”, *Journal of Finance*, 60, 2005, pp. 1461-1493

Faccio, M., Lang, L.H.P., Young, L., „Debt and Corporate Governance”, *Working Paper*, 2001, http://www2.owen.vanderbilt.edu/fmrc/Activity/paper/Faccio_Paper_Debt.pdf

Feleaga, N., „Corporate governance between classicism and modernism”, *Proceeding of the 4th European Conference on Management, Leadership and Governance*, 2008, University of Reading, UK, pp. 39-46

Harvey, C.R., Lins, K.V., Roper, A.H., „The Effect of Capital Structure when Expected Agency Costs are Extreme”, *The Journal of Financial Economics*, 74, 2004, pp. 3-30

Jandik, T., Rennie, C.G., „The Evolution of Corporate Governance and Firm Performance in Emerging Markets: The Case of Sellier and Bellot”, *Finance Working Paper*, 2005, http://ssrn.com/abstract=625902

Jensen, M.C., „Agency Costs of Free Cash Flow, Corporate Finance, and Takeovers”, *American Economic Review,* 76(2), 1986, pp. 323-329

Khanna, T., Palepu, K., „Policy Shocks, Market Intermediaries, and Corporate Strategy: The Evolution of Business Groups in Chile and India”, *Journal of Economics and Management Strategy*, 8(2), 1999, pp. 271-310

Klapper, L.F., Love, I., „Corporate Governance, Investor Protection, and Performance in Emerging Markets”, *Journal of Corporate Finance*. 10, 2004, pp. 287-322

Lefort, F., Walker, E., „Corporate Governance: a Challenge for Latin America”, *ABANTE*, 2(2), 2000, pp. 99-111

Lefort, F., Walker, E., „Corporate governance mechanisms: a study of their effects on investor protection and corporate performance in Chile (and Brazil)”, 2003,http://www.iadb.org/res/laresnetwork/files/pr221proposal.pdf

Love, I., Rachinsky, A., "Corporate Governance, Ownership and Bank Performance in Emerging Markets: Evidence from Russia and Ukraine”, *Working Paper* 2007, http://siteresources.worldbank.org/DEC/Resources/Corporate_Governnace_Ownership_and_Bank_Performance.pdf

Maier, S., „How Global is Good Governance? Ethical Investment Research Services”, 2005, http://www.eiris.org/publications_request.html

OECD, 1999, Principles of Corporate Governance, http://www.oecd.org

Oman, C., Fries, S., Buiter, W., „Corporate Governance in Developing, Transition and Emerging–Market Economies”, *Policy Brief* , No. 23, 2003, OECD

Rwegasira K., „CG in Emerging Capital Markets: Whither Africa?”, *Corporate Governance: An International Review,* 8(3), 2000, pp. 258-267

Sarkar, J., Sarkar, S., „Debt and Corporate Governance in Emerging Economies: Evidence from India”, *Working Paper*, 2005, http://www.igidr.ac.in/pub/pdf/WP-2005-007.pdf

Siddiqui, J., „Development of Corporate Governance Regulations: The Case of an Emerging Economy”, *Journal of Business Ethics*, 91, 2010, pp. 253-274

Tian, L., „Bank Lending, Corporate Governance, and Government Ownership in China”, *Working Paper*, 2005, http://www.ccfr.org.cn/cicf2005/paper/20050129102155.PDF

Vitezić, N., „Corporate governance in emerging economy and their impact on enterprise performance: A Case of Croatia”, *The 4th International Conference on Accounting and Finance in Transition* (ICAFT 2006) - Adelaide, UniSA, April 2006