INTERNATIONAL DEVELOPMENT TRENDS AND NATIONAL CHARACTERISTICS OF CORPORATE GOVERNANCE

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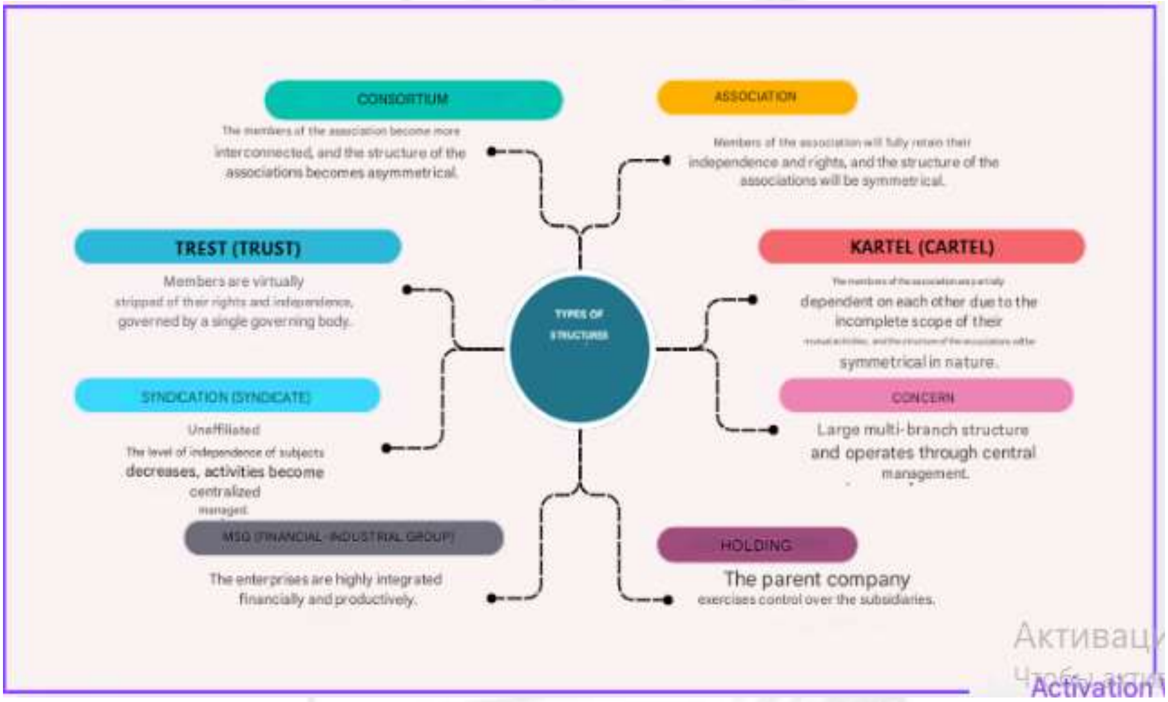
Abstract *The article highlights international development trends and national characteristics of corporate governance. In particular, it examines the differences between internal (insider) and external (outsider) models, the evolution of corporate governance in the context of globalization, as well as the experiences of the USA, Germany, the UK, France, Russia, and Turkey. The stakeholder approach of the Continental European model is also emphasized. As a result, corporate governance emerges as a key strategic mechanism that ensures company competitiveness, enhances investment attractiveness, and strengthens economic stability.*

Keywords *corporate governance, internal model, external model, hybrid system, stakeholders, globalization, investment attractiveness, economic stability.*

When analyzing the production process in industrial enterprises, it is important to study the main forms of integration of enterprises. This helps to determine the effectiveness of applying a particular form of corporate governance. Historically, the main forms of business associations have been recognized as cartel, syndicate, trust, concern, consortium, and holding.



In recent decades, changes in the global economy, international financial crises and corporate conflicts have led to increased attention to the corporate governance system.

Corporate governance is now considered not only a factor determining the effectiveness of a company's internal management, but also a key mechanism for ensuring investment attractiveness and stability in capital markets.

1. Differences between internal and external models.[103]

Corporate governance systems are generally divided into two main models:

• **Internal (insider) model** - characterized by granting shareholders broader rights and their direct influence in the decision-making process. This model is usually characteristic of Germany, Japan and companies based on family capital.

• **External (outsider) model** - emphasizes giving investors representation in the activities of the board, ensuring the independence of the board of directors and strengthening control mechanisms over the company. This model is a priority in Anglo-Saxon countries (USA and Great Britain).

Recently, a hybrid model has been formed in different countries, in which elements of existing models are combined and adapted to national economic, legal and institutional characteristics.

2. Evolution of corporate governance in the context of globalization.

Since the end of the 20th and beginning of the 21st centuries, international standards of corporate governance have gradually been formed:

• The World Bank program in 1988[104];

• The principles of corporate governance developed by the OECD in 1999, 2004 and 2015;

• Recommendations of rating agencies and consulting firms.

In the 2000s, major corporate crises such as Enron, Tyco, WorldCom led to the clarification of the basic principles. The global financial crisis of 2008–2009 revealed shortcomings in the existing rules and required their revision.

3. International experience: USA, Germany, UK and France[105]

• USA: Transparency, internal audit and board independence were strengthened through the Sarbanes–Oxley Act, Cadbury and Treadway reports[106].

• Germany: Stakeholder control is ensured through a two-tier board system (supervisory and management board)[107].

• UK: The Cadbury report (1992) went down in history as the first document to regulate corporate governance through written documents.

• France: The activities of committees, transparency and manager accountability were strengthened through the Vienot I (1995), Vienot II (1999) and AFEP-AGREF (2002) reports.[108]

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103 OECD Principles of Corporate Governance
104 The World Bank, Corporate Governance Reports
105 Sarbanes–Oxley Act (2002, USA)
106 Cadbury Report (1992)
107 German Corporate Governance Code (2002, revised)
108 Vienot Reports I (1995), II (1999) va AFEP–MEDEF Code (2002, France)

4. Russian experience[109]

The corporate governance system in Russia is characterized by a complex and unclear ownership structure. The state actively participates as a major shareholder. In Russian practice, elements of the Anglo-Saxon, German-Japanese and family models are combined, and this system can be interpreted as a hybrid model. Current main directions:

• introduction of international financial reporting standards;
• protection of minority shareholders' rights;
• increasing transparency;
• introduction of independent directors and internal control committees.

5. Turkish experience[110]

Corporate governance in Turkey was formed on the basis of OECD principles. The principles of fairness, transparency, accountability and responsibility were strengthened on the basis of the "Best Practice Code" developed by TUSIAD in 2002. The Turkish Corporate Governance Association (TKYD) has been operating since 2003. The level of compliance with corporate governance is assessed through rating agencies.

6. Continental European model

The model used in Continental Europe (in particular, Germany and France) is based on the stakeholder approach. In this model, not only shareholders, but also employees, creditors, customers and the state are considered important subjects of corporate governance.

Conclusion

Corporate governance has become a strategic mechanism today that ensures the competitiveness of companies, increases investment attractiveness and strengthens economic stability. In the process of globalization, the convergence of various national models and the formation of hybrid systems are observed. Although the national characteristics of each country are preserved, compliance with international standards is emerging as a decisive factor in increasing investment confidence and company value.

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[109] Russian Corporate Governance Code (2001, 2014)
[110] **TÜSİAD Best Practice Code (2002)** va **TKYD (Turkish Corporate Governance Association) materiallari**