

# Preface

Emerging markets are commonly known as financial markets of rapid growth economies that have, over the recent decades, undertaken a wide range of social, political, and economic reforms to put their economies on a more sustainable footing. In general, the expression of emerging markets also refers to emerging economies. With increasing integration of trade and finance flows in the context of globalization, emerging markets now play an important role for global economy growth and portfolio diversification. Altogether, they reached about 54 % of the world GDP measured at purchasing power parity, and they accounted for three-quarters of global real GDP growth over the past decade (*The Economist*, print edition in August 2011). While developed countries experienced severe economic slowdown in the aftermath of the US subprime crisis, economic growth across emerging countries is still projected to grow at a steady rate through the next decade. Thus, the differences in growth potential between emerging and developed countries lead necessarily to changes in the way investors worldwide allocate their available funds and value their investments in emerging countries.

Despite their high potential of growth, emerging markets investments are not without risk. They are commonly known as risky investments due to a number of market imperfections including particularly the lack of transparency, sound regulations, stringent accounting and reporting standards, and minority investor protection. Then, all potential investors should enter these markets with a clear-eyed view of corporate governance laws, rules, and practices. In particular, they should be able to grasp the underlying realities of the business environment and to adapt global corporate governance standards to local market specificities. In the meantime, research on corporate governance in emerging markets remains scanty and sparse and requires additional studies at both country and firm levels.

This edited volume is intended to provide the readers with an in-depth understanding of governance mechanisms, practices, and cases in emerging markets. This book is an invaluable resource not only for academic researchers and graduate students in law, economics, management, and finance but also for people practicing governance such as lawmakers, policymakers, and international organizations promoting best governance practices in emerging countries. Investors benefit

from this book to make judicious decisions regarding their future projects in emerging economies.

This book is broadly divided into three parts. The first part focuses on the legal framework and codes of best practices of corporate governance. The second part presents some country experiences in the field of corporate governance. The last part addresses the topical issues of corporate social responsibility.

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Theories, Practices and Cases

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