

## ABSTRACT

In light of recent corporate scandals, financial collapses, and growing awareness of the need for “good practice,” the term “Corporate Governance” has been more prominent than ever. The new international environment, throughout the developed world with a larger private sector and globally-integrated financial and product markets, makes pressures on governments and companies to reform their governance arrangements.

Governments are concerned with Corporate Governance as they attempt to design legal and regulatory institutions that enable private sector to raise more domestic and foreign capital and attract foreign direct investment. Companies are concerned because Corporate Governance drives their competitiveness and reduces the cost of capital. Investors care about Corporate Governance, because it crucially shapes security returns. For all these reasons, governance has been occupying the time and attention of government officials, thinkers, practitioners and academicians in finance, accounting, management studies, business strategy, public policy, law, and economics.

The purpose of this study, based on a literature review, is (i) to define what Corporate Governance is and highlight its structure and framework (ii) to analyze its development in the world and especially in emerging economies (iii) to provide an overview of the Turkish Corporate Governance framework and its current practice, and (iv) to draw out conclusions and recommendations for the Corporate Governance reforms.