

# THE SEMANTICS OF GOVERNANCE: THE COMMON THREAD RUNNING THROUGH CORPORATE, PUBLIC, AND GLOBAL GOVERNANCE

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## Abstract

This paper argues that the semantics of governance illustrates connections and provides a unifying view from which to understand much better its natural branches: corporate, public and global governance. In this regard, governance is presented from the point of view of a distinctive field of learning and practice. Three levels of analysis are carried out to drive the subject home. The first one highlights the scope of corporate governance within an institutional framework. The second frames the notion of public governance, giving heed not only to the linkage among constituents, charters, representation and the fiduciary role, but also problems raised by accountability, voting rights, and the codes of good practices. The third level leads to the semantics of global governance.

**Keywords:** Corporate Governance, Public Governance, Global Governance

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## Introduction

The sum and substance in corporate, public and global governance lies on what the primary term “governance” amounts to. For the last thirty years, there has been a growing concern with the three topical branches that stems from such primary term, but there has also been a marked neglect to establish a clear semantic background for the whole subject. That such task might be worthwhile is the main contention of this paper, whose development will run along five stages.

To begin with, focus will be given on what is meant by a field of learning and practice. After that, the semantics of governance will be made explicit, coming straight to the point that although governance can be regarded as a propitious field of learning and practice it seems, for the time being, only a discipline in the making.

In section 2, a functional definition of “corporate governance” will be set forth. Before doing that, however, we are going to review some earlier workable definitions, all of them based on particular issues, mainly linked to Corporate Finance and encompassing transaction costs, contracts and property rights. Those remarkable achievements could not prevent practitioners and academics from seeking negative and positive feedback in the realms of the Economic and Law approach, Organization Theory, and even Political Science. Therefore, an

embracing definition will be attempted with two purposes in mind:

- firstly, to include under its scope not only corporations, but also any organization in the private sector, even state-owned companies;
- secondly, to make explicit the main problems addressed by this growing field of learning and practice.

Next, section 3 will be devoted to public governance. There is an increasing awareness that governing the public and the private sectors adds up to a relevant set of common ground problems that can be handled likewise, notwithstanding the fact that sectorial differences are of the essence.

Then, in section 4, we try to build up a bridge between corporate and public governance, by linking foundational charters, constituents, representation and the fiduciary role. Finally, due regard will be given to accountability, voting rights and codes of good practices. Finally, global governance will be dealt with in section 5. In an increasingly interconnected world the whole system has to work meaningfully, albeit this is proving to be a hard task to accomplish, because of national idiosyncrasies and conflicts of interests.

## 1. Governance as a Field of Learning and Practice

Governance is a point in question to which many contributors in social sciences and practitioners

(including law-makers) have been giving their best effort and proficiency. However, it has still not become a full-fledged discipline.

In the corporate realm, for instance, research dates back only to thirty years. On the other hand, systematic study in public and global governance has evolved along an even shorter span of time. Whereas governance has been topical for ages, its expansion in a sort of independent branch of knowledge is not long past. From a methodological viewpoint, therefore, mixed feelings arise when trying to set up a definition of governance. Rather than looking for a discipline, perhaps a more cautious frame of mind advises us to regard the whole subject as an advancing field of learning and practice, a distinctive variety of what amount to be the scientific style of enquiry and validation.

By a Field of Learning and Practice, it is understood a purposeful, enduring and rational endeavor around a particular subject whose underlying tasks are:

- to look for principles and goals attached to that subject;
- to provide an explicit semantics for the core of the subject;
- to draw basic and derived statements from a coherent logical system;
- to design reliable procedures to deal with focal problems in actual practice;
- to gather empirical evidence on which to ground either basic or derived statements.

It goes without saying that a definition of governance ought to supply a framework as broad as to give account of private organizations (either for-profit or non-for profit), state-owned firms, governments (inclusive of all divisions, branches and agencies), international institutions [like the United Nations, the World Bank, the International Monetary Fund, the Organization for the Economic Cooperation and Development], and multinational arrangements among several countries (as in the case of EU, NAFTA, MERCOSUR). Also, we must point to non-state organizations that have become key-players in transnational relationships.

By Governance we are to understand a field of learning and practice whose main targets are:

- the search of principles, rules, procedures and good practices that allow organizations to be efficiently run within the constraints of evolving and changing institutions;
- the design, implementation and following-up of functional mechanisms for representation, voting, accountability, transparency, countervailing monitoring, as well as the planning of incentives and standards of performance;
- the management not only of well-founded modes of wielding power and conflicts of interest; but also procedures to grant enforceable decision-making authority.

Against a more general background, beyond the one pertaining organizations, Governance may be defined as the art and techniques to care for the way a system or situation works.

## 2. Corporate Governance

For the last twenty years, Corporate Governance has become a topical subject matter. Although it can claim that a good job has been done in understanding and shaping up some failures in business organizations, there is still a long way to round up a discipline with particular features and purposes. Not surprisingly, we hardly can get a definition of Corporate Governance that could be met with strong consensus among scholars and practitioners. This unsettled question, far from disturbing, signals a rewarding line of research. Hence, we are going to advance a functional definition but, before doing that, it seems advisable to review earlier attempts to explain what Corporate Governance should be about. Williamson (1988, 1996) saw that corporate finance and governance are deeply engaged with each other, because debt and equity can be regarded as alternative structures of governance, the former leading to rule-based structures and the latter to discretionary ones. The study of governance, in Williamson's words, is concerned with "the identification, explication, and mitigation of all forms of contractual hazards", while any single governance structure has to do with the institutional framework in which the integrity of transactions is decided (in other words, how transactions are negotiated and executed).

In an inspired textbook, Monks and Minow (1995) contend that corporate governance actually deals with "the relationship among various participants in determining the direction and performance of corporations". Regarding shareholders, managers and Board of Directors as the main actors, Monks and Minow carefully delved into the economic and law strands of the subject.

A mindset based on the agency theory of the firm is provided in Shleifer-Vishny (1997). In the authors' opinion, the matter to be settled was about "the ways in which suppliers of finance to corporations assure themselves of getting a return on their investment". The mechanisms of corporate governance consist of institutions (legal and economic) and they may be improved by means of the political process.

Writing for the New Palgrave Dictionary of Economics and the Law, Zingales (1997) remarked that corporate governance should be predicated on the exercise of authority, direction and control. And defined a governance system as "the complex set of constraints that shape the ex-post bargaining over the quasi-rents generated in the course of a relationship". Thus, his approach hinges on the incomplete contracts line of analysis. In particular, this author states that corporate governance means that instead

of bargaining over the quasi-rents generated in the course of a general relationship, stress must be put on the “quasi-rents generated by a firm”. In other words, the core issue is how rents are distributed in the firm.

In contrasting international experiences on how corporations actually care about their governance, Demirag (1998) suggests that “corporate governance is here understood as the system by which companies are controlled, directed and made accountable to shareholders and other stakeholders; control is understood as including indirect influences of financial markets.”

In 1999, the Organization for Economic Cooperation and Development (OECD) came up with a set of Principles of Corporate Governance that intend to focus on the defining concerns of corporate governance, basically on five topics: rights of shareholders, equitable treatment of shareholders, role of stakeholders in corporate governance, disclosure and transparency, and responsibility of the Board. The OECD sees as a common tenet in all governance systems “a high degree of priority placed on the interests of shareholders, who place their trust in corporations to use their investment funds wisely and effectively.”

More background on the historical premises of Corporate Governance is to be found in an extremely interesting paper published in this Journal by Bob Tricker (2005).

Summing up: earlier attempts to get a handle on which meaning should be attached to corporate governance are worthy of being noticed, but they stop short of depicting a workable semantics that might profit not only from financial foundations, but also from broader views conveyed by complementary disciplines in social sciences.

Trying to put the whole problem into some kind of perspective, what we should realize is that the expression Corporate Governance amounts to an unfortunate misnomer. In fact and by far, all organizations in the private sector, display a governance structure of one sort or another: sole ownerships, limited or general partnerships, venture capital and private equity endeavors, small and medium companies in general, limited liabilities companies and corporations, cooperatives, non-for-profit firms [for instance, interest groups, foundations, universities], even state-owned firms.

By Corporate Governance is meant the governance within corporations and nearly alike organizations (including state-owned firms) that brings to focus the following subjects:

- Ownership structure
- Company’s founding Charter by-laws, statutes, and codes of good practice
- Board of Directors and Trustees; allocation of control decision rights
- Managers’ fiduciary duties towards owners and their management decision rights

- Investors’ property rights and protective covenants
- Conflicts of interest between managers, creditors, owners and other stakeholders
- Accountability and transparency
- Managers’ performance and incentives
- Rent-seeking and soft-budget constraints
- Private, public and global gatekeepers (reputational intermediaries)
- National and international institutional constraints

## 2.1. Institutional Economics

Organizations in general, and corporations in particular, cannot be isolated from their institutional backgrounds. This linkage, suitably labeled “Institutional Approach” (or “institutional economics” for some quarters), has widely been studied for the last thirty years. Being North (1990) a foremost authoritative source, we are going to quote him so as to outline this distinctive point of view:

*“Institutions are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction. In consequence they structure incentives in human exchange, whether political, social or economic. Institutional change shapes the way societies evolve through time and hence is the key to understanding historical change. [...]”*

*[...] Organizations are created with purposive intent in consequence of the opportunity set resulting from the existing set of constraints (institutional ones as well as the traditional ones of economic theory) and in the course of attempts to accomplish their objectives are a major agent of institutional change ”*

When the study of corporate governance is framed within the institutional viewpoint, it can address some core issues (as shown in Exhibit 1) to which alternative approaches have failed to explain.

For the last two decades and in a series of well-known papers, a group of scholars have been giving heed to institutional aspects of different governance regimes spread over the world, with the purpose of finding plausible measures to account for topical problems arising in this field of learning and practice. Among those contributions to Comparative Economics, we highlight below some relevant for the contents of this paper.

Large shareholders and corporate control (Shleifer and Vishny, 1986): it was shown that controlling shareholders face strong incentives to monitor managers and maximize profits when they retain substantial cash flows rights in addition to control.

Law and finance (La Porta et al. 1998): stressing the point that the development of financial markets is hindered whenever laws are unprotective of investors; five variables were tested, namely the efficiency of the judicial system, the assessment of the law and the order traditions, an index of government corruption, the risk of expropriation, and the risk of contract repudiation.

Corporate ownership around the world (La Porta et al, 1999a): that showed that only in economies with good shareholder protection there are firms

widely held by many shareholders; in most countries, instead, firms are typically controlled by families or by the State.

**EXHIBIT 1 . The institutional approach contribution to corporate governance problems**

- a) What can be said about the ownership and control structure of any firm all around the world? Is there a fiduciary capitalism? [ *This claim is well developed in Hawley and Williams, 1997* ]. To what extent does the capital structure of any corporation mirror the institutions of the country where the company runs its businesses?
- b) Does the firm belong to the common law (anglo-saxon countries) or the civil law (continental European) tradition? [ *Background on this in La Porta et al, 1999* ]. What about the regulations in capital markets on cash flows moving around within and between national boundaries? Are there regulations on cross and circular ownership?
- c) How protected are the property rights of creditors and stockholders? How suitable is the law environment to enforce contracts? To what extent a legal framework holding in a country can be regarded as a competitive advantage for companies willing to invest in that country? How to factor transaction costs into a particular governance structure? [ *More on this in Demirag, 1998* ]
- d) How transparent are accounting and reporting practices in each country? Is the information provided to owners and third parties accurate and reliable? How to prevent companies and managers from creative accounting, money laundering and self-dealing? Are there codes of best practice and to what extent they are complied with? Do they enhance the companies' value? Who are the reputational intermediaries and watchdogs? [ *A handy reference is Black, 2000* ]
- e) To what extent managers are prevented from plundering owners or creditors? Do shareholders receive dividends not based on profits but on the sale of corporate assets? How good are the covenants that the company pledges on behalf of creditors, owners and other stakeholders? What are the incentives fostered by formal and informal institutions so that companies become more efficient and reputable? [ *Useful insights in Coffee, 2001* ]
- f) Which corporate governance procedures and practices should be enacted so as to avoid crony capitalist countries, mafia-partnerships and terrorism linkages, from investing in corporations and banks through special purpose vehicles like those depicted and widely used by Enron, and many investment funds, all over the world? [ *On the Enron's disgraceful affair see Aprea, 2002* ]

Investor protection and corporate valuation (La Porta et al, 1999b): where evidence was found that higher valuation is to be expected for those firms performing in countries with better protection of minority shareholders.

Comparative economics (Djankov et al, 2003): in which good economic institutions are regarded as those that secure property rights, grant the people to keep the returns on their investments, set up contracts and resolve disputes; the problem of disorder is suitable addressed, expanding on ethnic violence, squatter takings, bribes, investor expropriation, terrorism, public expropriation. Hence, the comparative economics deals with differences in institutional settings bringing about consequences for economic performance.

**3. Public Governance**

As a matter of concern, Government has been a field of study and practice since human beings started to build up and arrangements for living in society. But it was when civil and representative governments sprung in the XVII century (being the Peace of Westfalia in 1648 a watershed in this development) that the subject matter reached the stage of a scholarly field of inquiry and practice, to be

undertaken independently from philosophical analysis.

However, there are stringent distinctions between government and governance. An expert in Public Administration, Kettle (2002), for instance, sets up a contrast between government, as the set of institutions that deal with authority and bring about formal obligations among citizens, and governance, as the set of processes and institutions, formal or informal, through which social action takes place. By the same token, a social scientist like Stokes (1997), points out that the governance perspective gives heed to the increasing involvement of private and voluntary sectors in service delivery and strategic decision-making.

On the other hand, it seems worthy of being recalled how the political scientist Robert Dahl (1963) defined what a political system amounts to: permanent patterns of human relationships involved with control, influence, power or authority. When those patterns develop to become institutions, Dahl states that they become "political roles, or offices, and the collection of offices in a political system constitutes the government of that system." In this way, governance turns out to be the discussion and framing of both means and ends for a government within a certain political system.

After these prefatory remarks, we come up with the following definition:

*By Public Governance is meant the governance of those organizations in representative democracies with a distinctive focus on the following matters:*

- The Founding Charter, Bill of Rights and the legal system of the underlying political system.
- Institutional architecture for representation mechanisms; the fiduciary role; the exercise of authority; the structure of power division; the whole array of checks and balances.
- The processes by which government officials, representatives, and the judiciary are elected, appointed, monitored, and replaced; the design of the governmental bureaucracy and its management.
- Integrity of the Judiciary; law enforcement; property rights.
- Accountability, transparency, conflicts of interests, good practices.
- Rent-seeking, soft-budget constraint, political clientelism, state-capture, corruption.
- The role of collective action: groups of interest, veto-players, gatekeepers, media, political parties.
- Building up linkages with corporate governances as well as global governances.

Governance matters, as Kaufmann et al. (1999) have argued, because there is a distinctive causal relationship between good governance on the one hand, national growth and development issues on the other hand.

#### **4. The Bridge Between Corporate and Public Governance**

Since governance deals with organizations and how they should be designed to fulfill their purposes operationally, the metaphor of the contractual tradition comes in handy, not only to illustrate connections, but also to provide a common ground for understanding corporate and public governance.

In the beginning there is always a group of founders, the original constituency, who intend to set up an organization, and they contract in to a sort of founding charter by which the basic rights and duties of the constituents are laid down, as well as the declaration of purposes for the organization that comes into existence.

For the new entity to be run following the charter not only efficaciously but efficiently, most of the time the constituents elect representatives who must live up to the founders' expectations and act on behalf of their interests, carrying out a fiduciary role on which the representative could be held accountable at the end of the day.

As soon as the organization starts working, the original charter must be complemented by rules, statutes, even laws. Furthermore, it becomes clear

that the development and survival of any organization is constrained or fostered within a complex environment of traditions and institutions. On this regard, MacIntyre (2003) stresses that *"institutions do not cause outcomes on their own; they set the framework within which contending interests do battle. Interests, and the ideas that lie behind them, are the fundamental drivers in political life."*

Modern for-profit organizations are structured under the shape of corporations regardless of its size, mainly because of the limited liability covenant. When the corporation reaches a threshold of scope and scale, separation of ownership and control becomes a fact of life. Corporate goals are set out in the corporate Charter. Therefore, corporate governance has a political dimension, as Robert Dahl (1959) anticipatorily remarked in a paper that linked politics and business:

*"a business firm, like a trade union, religious organization, or a state, has a political order. [...] The theory of the firm, which has occupied a vast amount of attention among economists, has little to say, except implicitly, about questions of power, influence, legitimacy, in short, government."*

#### **The Constitutional Metaphor**

Therefore, it seems useful to bring back the constitutional metaphor, viewing corporations as having enlarged constituencies, representatives, officials and bureaucracies with competing interests: a) shareholders, who will appoint intermediaries, a body usually denoted as the Board of Directors, who will hire officials to become involved with the day-to-day running of the company, that is to say the managers and the bureaucracy; b) the Board has the manifold tasks of hiring, monitoring, rewarding and punishing managers; besides, they audit that the company is run so as to enhance its value and increase the wealth of shareholders; finally, they oversee the extent of the company's strategically goals; c) managers are the doers in the company; their role is fiduciary; d) the creditors, mainly represented through banks, institutional investors and bondholders; although creditors are the more influential outside stakeholder of any company, they are not truly constituents of the private corporation because, in general, they had neither been signatories of the founding Charter nor been appointed to the Board or as managers.

This arrangement of rights and duties call to mind a system of checks and balances, like the one found in representative democracies by means of the so-called countervailing powers. The cast of actors listed above plays this game of founding, voting, financing, running and overseeing the government of the company. But the more complex the organizations, the more room is granted to single or collective agents that can say "no" to regular decision-making processes. Thus so, directors and creditors are usually the veto-players in the private organizations, the former through the Charter and

by-laws, the latter through debt restrictive covenants. Opposition parties, division of powers and trade unions, also perform as veto players in political systems. Not to be surprised, this simile goes further and also becomes functional to a coherent analysis of Public Governance. On this regard, La Porta et al (2003), examined two distinct types of constitutional checks and balances on the power of parliament and the executive, as provided by the judiciary: namely, the judicial independence and the constitutional review. They concluded, after looking for data from 71 countries, that both judicial independence and constitutional review are associated with greater freedom. Besides, judiciary independence matters most for economic freedom, whereas constitutional review for political freedom.

### **The Fiduciary Role**

By fiduciary actor is usually meant “one who owes to another the duties of good faith, trust, confidence and candor” (The Black’s Law Dictionary)  
*A natural extension is given by the same source, and it applies to any fiduciary relationship, in which “one actor is under a duty to perform for the benefit of other actor, on matters within the scope of the relationship.”*

Noteworthy examples of such relationships are found in those that link trustees with beneficiaries, agents with principals, attorneys and auditors with clients, banks with depositors, elected representatives with their constituencies, international government organizations with their founding countries.

What do I understand by fiduciary role in the case of governance?

Governance structures carry out the fiduciary role when they systematically and formally contribute to:

- manage the conflicting interests and goals of political actors;
- curb the sources of their disagreement or misunderstanding;
- help to build incentives for cooperation and trust;
- stand up for granting the reliability of commitments;
- provide a neutral interface to negotiations;
- smoothen over suspicions or misperceptions from counterparts;
- monitor and update the framework of mutual accountability and transparency.

The common thread running through corporate and public governance can also be tracked down on three features that are inherent to the basic notion of governance: accountability, voting rights and codes of good practices.

### **Accountability**

Either in private or public environments, a core issue to grant sustainable governance seems to be

“accountability”. It comes to be defined by the Black’s Law Dictionary as the state of being responsible or answerable. In accordance with the semantic viewpoint we are following in this paper, it seems advisable to shape a more functional notion of accountability.

By Accountability is meant a relationship between two parties that can be broken down into complementary layers of practice, the first one before the facts evolve, the other one while the facts evolve or come to fulfillment:

- Ex-ante practice: one party commits something to be done on behalf of another
- Ex-post practice: by which the same party is responsible for the performance of his commitment to the other.

To put this other way, accountability deals not only with responsibility, as it is usually highlighted, but with a previous commitment from which the responsibility lastly stems from.

### **Voting Rights**

When constituents vote, either citizens in a country or shareholders in a company, they share the exercise of a fundamental power: to set the tasks, appoint, renew, or fire their representatives. They also share the power to choose a blueprint for governance for a definite span of time.

Whereas the shareholders do not dissent from the basic goal of any company, citizens in democratic regimes usually dissent from the basic goals, the means and the ends of the political endeavor. The more liberal the system, the deeper the overlapping consensus that allows them to build up political stability in spite of disagreement and opposition stemming out of particular standpoints in politics, morals, philosophy or religion [the idea of overlapping consensus is carefully developed by John Rawls (1996) in his landmark book *Political Liberalism*]. While seldom do the shareholders contest the corporate issues at stake (an event that would unleash a power struggle eventually), almost ever the voters contest adversarial political standpoints. As Przeworski et al (1999) put it: “elections are a contingent renewal accountability mechanism, where the sanctions are to extend or not the government’s tenure”.

Dealing with this subject, Latham (2003, 1999) sensibly asserts that “our greatest power structure – governments and corporations – are built on the shaky foundations of voting, with its free-rider weakness”. To cope with both of them, he suggests enhancing the role of the intermediaries in information (infomediaries), which are a particular type of reputational intermediaries. As regards corporations, he argues that a suitable vehicle would be the Proxy Advisory Firm (PAF) which can help shareholders to vote on the grounds of more information. Starting with helpful advice on how to vote, infomediaries could expand their line of

business and also provide information to nominate directors, choose the auditor, or engineer compensation plans for high executives. At this stage, the infomediaries become to be called corporate monitoring firms (CMFs).

By designing such a countervailing institution, we mirror the political tradition of checks and balances. Therefore, the structure of Corporate Monitoring Firms could easily be applied to public governance, to the extent of monitoring the public functions of political infomediaries and the rent-seeking behavior of government officials.

### **Codes of Good Practices**

Codes of good practices are topical to governance. They are like the factual translation of governance principles. It might be worthwhile taking this matter further.

Generally speaking, a code is a set of rules about how something should be done or how people should behave. On the other hand, a good (or a best) practice comes to be a leading example of how a regular task or activity in a particular profession or job should be done. [For a cash flow model to cope with corporate governance issues like accountability and good practices see Apreda (2003, 2005, 2002b)].

However, since codes of good practices arise from an underlying governance design, it seems more suitable to set forth an alternative format of definition.

By a Good Practices Code we mean any set of rules of behavior that allow a distinctive governance structure to be put into practice and held accountable, provided that such rules meet the following constraints:

- by necessity, they stem from the underlying governance structure;
- they match the institutional framework within which the organization not only lives and develops, but also abides by the law;
- they are in agreement with the organization Charter and by-laws;
- they become fully operational: the rules are set up within a framework that allows monitoring, assessment, updating and improvement.

### **5. Global governance**

As from the 80s, globalization processes achieved both a scope and scale as former globalization experiences never had had. Not only were there technological innovations fostering a borderless world, but changes in the way companies and governments broadened their purposes, and involved themselves in worldly affairs. Demand for, or supply of, goods and services became transnational endeavors. Furthermore, security concerns followed suit as well. Therefore, a complex network of new relationships were able to make a claim for

governance at a global extent, whose main features were, according to Gilpin (2002):

- open markets;
- unrestricted capital flows;
- pervasive activity and influence from multinational corporations.

It was an upside of this perspective to stress that multinational corporations carried out a decisive bearing in single issues like trade levels and location of economic activities, issues that can easily be embedded in the field of corporate governance. By the same token, a downside of this approach consisted in a constrained focus on economic matters.

Redressing this narrow viewpoint, it has been evolving an institutional global governance point of view undertaken by the United Nations, the World Bank, the International Monetary Fund, the OECD, and also a distinctive set of scholars [ for instance, Scholte (2000) and Kettle (2000) ] who voiced two matters of concern:

- Globalization conveys the emergence of a sort of post-sovereign governance, because states cannot be sovereign in the traditional sense. At least, this seems to be a new example of compromising Westphalia.
- The rise of supra-territoriality has promoted moves toward multi-layered governance, where regulatory competences are widely dispersed across the layers of sub-state, state, or supra-state arrangements and agencies.

The Commission on Global Governance of the United Nations, frames the concept this way:

*“the sum of the many ways individuals and institutions, public and private, manage their common affairs. It is a continuing process through which conflicting or diverse interests may accommodate, and cooperative action may be taken. It includes formal institutions and regimes empowered to enforce compliance, as well as informal arrangements that people and institutions either have agreed to or perceive to be in their interest. [...]*

*[...] At the global level, governance has been viewed primarily as intergovernmental relationships, but it must now be understood as also involving non-governmental organizations, citizen’s movements, multinational corporations, and the global capital market. Interacting with these are global mass media of dramatically enlarged influence.”*

Bearing in mind the previous remarks, I suggest contextualized semantics for global governance.

By Global Governance is meant the governance of supra-state organizations by means of a two-tiered design of overlapping issues and problems, namely:

a) those arising from the nature of each organization (either states, GOs and NGOs):

- founding charter, statutes and by-laws;
- institutional architecture, division of powers, bureaucracies, checks and balances;
- representation and accountability;

- fiduciary role and resolution of conflicts of interests;
  - collective action mechanisms;
  - persuasion and participation;
- b) those arising from the interplay among state and non state actors in the context of global interdependence:
- domestic and international institutional arrangements;
  - corporate governance constraints;
  - public governance constraints;
  - statements of good practices and performance yardsticks to be followed either in the private or in the public domains

## Conclusions

This paper intends to shape a conceptual tool that might enhance our understanding and our ability to cope with the interlinked issues that arise from corporate, public and global governance.

In the first place, it contends that governance has semantic and methodological precedence over its topical branches, clustering them into a field of learning and practice.

In the second place, corporate, public and global governance are distinctive realizations of the key notion, but coalescing into a common ground perspective that allows the systematic study of each of them.

Last of all, the common thread that runs through corporate, public and global governance springs from the basic features nurturing the core of governance:

- A founding charter shaped within an institutional environment.
- A system of rights and power, representation, management and fiduciary roles.
- Accountability and transparency mechanisms.
- Monitoring and performance measures.
- Contesting rights and procedures for stakeholders.
- A responsive set of good governance practices.
- Independent gatekeepers

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