

# Corporate Governance and Political Ownership

***By***

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## **Abstract**

This paper makes an attempt to study the concept of corporate governance in a political ownership environment. It emphasizes the relationship between political objectives and governance objectives.

The paper first gives a preliminary view of corporate governance and political ownership. It investigates whether political ownership will restrict the functioning of the governance mechanism. By making a case study of several privatised firms with strong political ownership, it shows that there is a strong possibility that political objectives will undermine the governance objectives without a proper check and balance system in place.

There are indications that the situation is starting to change as governance objectives become more apparent due to pressure from external factors such as the international investors. The regulators have started to place more emphasis on corporate governance.

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