

The Comparative Study of Corporate Governance in Japan and China

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This thesis deals with the problem of corporate governance. Since 1990's, corporate governance has been a hot-discussed topic in Japan. Moreover, the corporate governance reform that centers on the 'modern enterprise system' has been advanced in China rapidly. The corporate governance system is varied from one country to another according to differences the social systems and various conditions formed through the long history.

The term of corporate governance was used in America firstly. Corporate governance has many definitions. In this thesis, writer accepts the Cadbury committee's definition of corporate governance as 'the system by which companies are directed and controlled'.

There are three viewpoints used to discuss this thesis. There are the viewpoint of ownership, control, management, the relationship of between principle and agent, and the comparative institutional analysis. Chapter 1 to 3 analyzes the current situation and disputed points of corporate governance problem, the structure's change of ownership and control, the relationship between principle and agent, and the issue of managerial incentive in Japan. And chapter 4 to 6 analyzes the same issues above in China. The payments of compensation for directors and executives are counted as cost in Japanese corporations. Therefore, the function of managerial incentive would be weakened. The system of managerial incentive is introduced actively in state-owned enterprises of China. However, the constitution of manager compensation is very simple, and the managers are elected by the government. The solution of these problems is very important for corporate governance reform.

Chapter 7 is the comparative analysis of the corporate governance in Japan and China and demonstrates the role and meaning of compensation's system.