AN IDEAL CORPORATE GOVERNANCE MODEL: SHAREHOLDER OR STAKEHOLDER.



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DEDICATION

Every challenging work needs self-efforts as well as the support of your dear ones. I dedicate my humble efforts and this dissertation to my respected teacher, loving ***Parents***, who supported me through every difficult situation and taught me to never give up.

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ABSTRACT

Whose interests should a corporation prioritize in its operations? Should the scope of corporate governance be limited to safeguarding the interests of shareholders alone, or should it broaden its perspective to encompass the interests of various stakeholder groups? Scholars of corporate governance have been engaged in a long-standing debate for decades regarding this question. The conventional "Shareholder Model," prevalent in Anglo-American countries, asserts that a firm's primary emphasis should be on maximizing shareholders' wealth. In contrast, the "Stakeholder Model," observed in countries such as Germany, Japan, and other parts of Continental Europe, argues that a firm serves a broader purpose in society beyond solely maximizing shareholders' wealth. According to this model, a company should prioritize not only the interests of shareholders but also those of employees, customers, suppliers, local communities, and other stakeholders. In Pakistan corporate sector is also facing the same problem in which corporation prioritize the interest the shareholder over those of stakeholder leading to short term decision and neglect of social responsibility and also effect the profitability and sustainability of companies. This main objective of this thesis is to introduce each model and Pakistan corporate framework and to recommend an ideal/suitable model for Pakistan that balance the interest of both shareholder and stakeholder.

ABBREVIATIONS

OECD	Organization for Economic Co-Operation and Development
CGC	Corporate Governance Code
CG	Corporate Governance
BODS	Board of Directors
PSX	Pakistan Stock Exchange
SECP	Security and Exchange Commission of Pakistan
SBP	State Bank of Pakistan
CA	Companies Act
ICA	Indian Companies Act
INEDS	Independent Non-Executive Directors
FOES	Family-Owned Enterprises
SOES	State Owned Enterprises
UN	United Nation
PICG	Private Industry Corporate Governance

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