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24 2 Comparative Law and Corporate Governance

2.3 Comparative Corporate Governance in Particular 2

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OECD Guidelines for Multimatorial nies or other entities established in r may co-ordinate their operations in v ties may be able to exercise a signi

45 See Collins H, Regularing the employe 25-31.

46 Sec also Blumberg PI, The Corporat Del J Corp L 15 (1990) pp 326-327; F

In company groups, the economic and legal units of business do not necessarily coincide; each legal unit of business operates to some extent in the interests of one or more other legal units or the corporate group as a whole.

The structure of company groups varies a lot, as has been recognised by the OECD Guidelines for Multinational Enterprises: "These usually comprise companies or other entities established in more than one country and so linked that they may co-ordinate their operations in various ways. While one or more of these entities may be able to exercise a significant influence over the activities of others,

See Collins H, Regulating the employment relation for competitiveness, ILJ 30 (2001) pp 25-31.

See also Blumberg PI, The Corporate Entity in an Era of Multinational Corporations, Del J Corp L 15 (1990) pp 326–327; Roberts J, The Modern Firm (2004) pp 180–181.

their degree of autonomy within the enterprise may vary widely from one multinational enterprise to another."47

Group structures differ according to the type of firm and the kinds of markets in which it operates, and they will also evolve over time. The firm normally ends up with a multidivisional structure. In company groups, divisionalisation means that the operating functions of many legally separate subsidiaries are performed within one subunit of the firm, and separate operating functions are organised within separate subunits of the firm.⁴⁸

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