

**STRATEGIC INVOLVEMENT OF THE BOARD IN DEVELOPING COUNTRIES**

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**ABSTRACT**

In developing countries, governance systems are still recent, or practically non-existent (Shleifer & Vishny, 1997). For this reason, the way their boards behave is not yet clear to the firms in these countries. For foreign investors, the lack of governance structures may represent a risk because it jeopardizes the good corporate governance of the enterprises operating in such regions. This study analyzes the involvement of the board of directors in the strategy of enterprises located in developing countries. The study is guided by the question: In developing countries, what is the difference between the board of directors' current level and its ideal level of involvement in company strategy? Based on the theory of the role of the boards of directors, we present the results of a survey with 32 firms from 19 developing countries. The businesses were chosen among those widely known by international investors, including multilateral financing agencies and commercial banks. Respondents were the chairman of the board of directors or, in some cases, a senior manager referred by him. The results presented show that the European boards have the highest degree of involvement in firm strategy. In Asia, the main specific characteristic influencing the board's performance is the high level of government involvement in corporate management. In Latin America, the predominance of family groups with high ownership concentration also emerges, aligned with the fact that this is the region with the second highest degree of board involvement in firm strategy.

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