

## **ABSTRACT**

GITTRY SUCI PUSPA SARI. *A Comparative Study of Company Governance Structure in China and Indonesia.*

Corporate governance is the system by which companies are directed and managed. It influences how the objectives of the company are set and achieved, how risk is monitored and assessed, and how performance is optimized. Good corporate governance structures encourage companies to create value (through entrepreneurship, innovation, development and exploration) and provide accountability and control systems commensurate with the risks involved. Corporate governance in China has emerged and developed as China has shifted from a planned economy to a market economy. The establishment and growth of China's capital market and the evolution of Chinese enterprises from government affiliates to modern companies have made it necessary to establish a new corporate governance framework.

The financial crisis in 1997-1998 has had dramatic social, economic and political effects in Indonesia. Indonesia had done a lot of initiatives and efforts to implement good corporate governance, both from government side as well as private. Both China and Indonesia used the system when they deriving experience of state power as occur monetary crisis in Indonesia around 1997 until 1978 and government system changed also economy authority had been around in China.

**KEYWORDS:** *Good Corporate Governance, Corporate Governance, Chinese GCG Framework, Indonesia Corporate Governance*