

**Year: 2010**  
**Volume: 55**  
**Issue: 2**

**STUDIA**  
**Universitatis Babes-Bolyai**  
**OECONOMICA**

**THE TWO-TIER SYSTEM OF CORPORATE GOVERNANCE IN THE REPUBLIC OF MACEDONIA**

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**Abstract.** Corporate governance is one of the least professionally studied issues in the Republic of Macedonia, although it has had crucial influence on the way how the national economy has functioned for the last two decades. Now days managers, researchers and government consider corporate governance as one of the most important and complex issues. This can be addressed to the standardization of the corporate governance regulations and practices in countries all over the world but also to the great privatization wave which has lasted almost permanently since the independence of the country. The Republic of Macedonia excepts both systems of corporate governance, that is the one-tier system of corporate governance and the two-tier system of corporate governance. The owners of the company decide which system they are going to implement. The corporation itself can change the system of corporate governance, which is from the one-tier to the two-tier system and vice versa by changing its statute. The one-tier system of corporate governance is characterized by the governing of only one organ, the board of directors who is appointed by the shareholder and should protect their rights and interests in the corporation. The two-tier system on the other hand includes a governing and a supervision organ with shared responsibilities. The overall objective of this paper is to analyze the two-level system of corporate governance in the Republic of Macedonia.

**JEL Classification:** G30, G34, G38

**Keywords:** corporation, corporate governance, managerial board, supervisory board.

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