

**Abstract**

Corporate governance reforms have traditionally been studied from the opposing perspectives of global convergence and local persistence, but empirical support for each of these alternatives is mixed at best. Our study of corporate governance reforms in no less than 22 wealthy nations around the world suggests an alternative conceptualization of the reform process: local repairs in light of global ideals. We find that the direction of governance change can be predicted from the dominant ownership patterns in a given country, if we assume that all developed nations seek greater wealth through the broadening and deepening of capital markets.