

Preface

The Preface of the first edition of this book, which was published in 2007, included this opening sentence: ‘The global economy brings us into a new world of legal players and legal transactions’.¹ Since then, the actual significance of the ‘global economy’ has been illustrated in a cruel way by the so-called global financial crisis (GFC) of 2007–2008 and the ongoing European financial crisis of 2009–2011.² In fact, referring to this crisis as the global ‘financial’ crisis downplays the fact that it was a global ‘debt’ crisis with the USA at the epicentre. The aftershocks of that debt crisis and still is felt widely in other parts of the world.

Similar to the first edition of this book, we analyse the German corporate governance and corporate law in a rather comprehensive way. However, our analysis is again done in an international and European context. This we do because we are acutely aware of the fact that there are globally and internationally serious efforts to improve the way corporations are governed as the GFC illustrated countries’ interdependence on each other.

In this second edition we have not changed our basic approach. The book still aims at providing the reader with a thorough understanding of the German corporate governance system. It offers an overview of German corporations law and explains the interrelationship among the various organs required for German public corporations. We have taken particular care to update the first edition by including all significant developments in the area of German corporate law and corporate governance since 2007.

The German system of employee codetermination is focussed on and analysed in detail in Chaps. 5 and 6. Chapter 6 deals with European developments in the area of corporate governance and how these developments impact on perceptions regarding

¹Bernhard Großfeld, ‘Loss of Distance: Global Corporate Actors and Global Corporate Governance – ‘Internet v Geography’ (2000) 34 *The International Lawyer* 963; Bernhard Großfeld ‘CyberCorporation Law: Comparative Legal Semiotics/Comparative Legal Logistics’ (2001) 35 *The International Lawyer* 1405.

²We point out in 5.2, 5.3.2 and 5.3.6.4 that Germany recovered fast and thoroughly from the global financial crisis (GFC) of 2007–2008.

the German two-tier board system and codetermination. There were so many European developments and their potential impact on German corporate law and German corporate governance were so significant that Chap. 6 was virtually rewritten to reflect these important developments. We have also expanded Chap. 7, dealing with accounting as the documentary proof of good corporate governance.

In the first edition (Chap. 8) we have dealt with the dominant role played by the German banks in controlling some of the company organs of large corporations. Several significant developments took place in recent times, which required a considerable expansion of Chap. 8. The focus of that chapter is now wider, dealing generally with the German financial sector, global capital markets and corporate finance and governance. Chapter 9 is a new chapter written by Matthias Casper, a new co-(author), dealing with the very important question of corporate governance compliance in Germany. Finally we reveal corporate governance developments in the European Union (EU), the OECD Principles of Corporate Governance, and corporate governance in selected jurisdictions (the United States, the United Kingdom and Australia) in Chap. 10.

We are of the opinion that this second edition is even more relevant to managers and directors of companies who want to understand German corporate law and the German corporate governance model. The reason for this is that there were remarkable developments in the area of German corporate law and corporate governance since 2007. In addition, the European and international perspectives we bring are getting more and more important in a globalised and internationalised world. In particular, as markets open and German companies become increasingly more attractive to international investors, a proper understanding of German corporate law and corporate governance becomes almost indispensable to all entrepreneurs investing in global markets. This ongoing world wide debt crisis emphasises the importance of our approach even further. We are also of the opinion that especially postgraduate students studying European business will find the book an easy reference to German corporate law and corporate governance, discussed within a broader European and international context. The analytical and critical nature of the research undertaken for this book will be apparent to scholars and others interested in the areas of corporate law and corporate governance.

We are still confident to repeat the claim that we made in the first edition, namely that this book still provides one of the most comprehensive and in-depth discussions in English of the German corporate law and corporate governance system.

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