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## **THE IMPACT OF ECONOMIC CRISES ON CHANGES IN CORPORATE GOVERNANCE**

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**Abstract:** Starting from the 1970s major changes have taken place in the existing systems of corporate governance, however the most significant changes involved the last 15 – 20 years. It was then that greater importance was paid to the functioning of corporate governance. Indeed, it was realized that the governance may become an important factor for economic growth and increased competitiveness of the economy. This resulted in increased interest in quality of governance, which in turn forced the processes of changes. Such processes are enforced on the one hand by increased competition, and on the other hand by companies' actions conditioned by changing circumstances. Increased competition puts higher demands on the performance of companies, rationality of action, but also on transparency, resistance to critical situations, etc., which leads to improved quality of supervision, and the changes are gradual and evolutionary. Major changes take place due to changes in conditions in which companies operate, the largest changes are enforced by the economic crises. It is assumed that inadequate corporate governance, is one of the major causes of such crises. The changes are aimed at improving the supervision and thus preventing future crises. It may also be noted that the size of the crisis has affected the extent of changes. The analysis includes changes in the one-tier system of supervision, as well as in the two-tier system. This paper is to show the impact of economic crises on on-going changes in corporate governance. We confine ourselves here to major or global crises. We show their impact on corporate governance both in relation to the so-called soft law (e.g., the codes of good practice) and the hard law in the form of a specific acts of law. We also demonstrate the role of selected institutions and organizations engaged in the process of changes.