7th WORLD CONFERENCE ON MANAGEMENT, BUSINESS and ECONOMICS

21 – 23 March 2025
Prague, Czech Republic

The Evolution of European Corporate Governance Codes

Prof. Paolo Roffia

Department of Management – University of Verona, Italy
*Corresponding author

Abstract

Corporate governance in Europe has undergone significant transformations over the past three decades. The evolution of governance codes has been shaped by financial crises, regulatory advancements, and an increasing focus on sustainability and stakeholder interests. Over time, five selected European countries (i.e. France, Germany, Italy, Spain, and the United Kingdom) have collectively revised their corporate governance codes 56 times, reflecting continuous efforts to adapt governance frameworks to emerging economic and regulatory challenges. These modifications underscore the dynamic nature of corporate governance, ensuring responsiveness to evolving financial markets, technological progress, and corporate accountability requirements. This paper examines the historical development of corporate governance codes within Europe, highlighting key revisions, emerging trends, and their impact on corporate structures and investor relations. Through a comparative analysis of these corporate governance frameworks, selected because they are the large and most influential economies, this study explores the shifting emphasis from shareholder primacy to a broader, stakeholder-inclusive governance model. The findings indicate a continuous refinement of governance principles, incorporating digitalization, environmental, social, and governance (ESG) factors, and enhanced board accountability. Additionally, the study evaluates how different governance frameworks influence corporate behavior and regulatory harmonization efforts across Europe. The study concludes with recommendations for further improvements in EU corporate governance to address future economic and regulatory challenges, emphasizing the importance of ongoing reforms, transparency, and the integration of sustainability-driven policies to foster resilient and responsible corporate practices.

Keywords: Corporate Governance, Corporate governance code, Institutional theory, Listed companies