Editorial

Corporate Governance is of growing interest for management researchers, not the least in the context of Central and Eastern Europe. It is, therefore, not surprising that JEEMS dedicates the present issue to this fascinating and complex topic.

After a broader introduction by the two guest editors which should locate corporate governance in its geographical, historical and cultural framework of Central and Eastern Europe, the four articles (and one research note) open up an exciting view on corporate governance in this region. A broad range of countries are affected by authors originating from six different states of both East and Western Europe. Although we were restricted by the volume requirements of the journal, these five papers will provide the reader with deep insights into very concrete problems of this topic, thus perfectly complementing and contrasting the more general overview of our introduction.

Alex Kostyuk observes the capital structure of Ukrainian companies. He highlights in his paper the problematic role played by domestic banks and financial-industrial groups concerning the firms' equity acquisition. On the other hand, the key-role of foreign investors in this respect is clearly pointed out as they are at the same time much more active in the capital market, and, therefore, able to considerably reduce the capital costs of the firms they control.

Andrei Kuznetsov and *Olga Kuznetsova* question the fit of corporate governance concepts within the area of Central and Eastern Europe. They subtly criticise the mere transfer of the traditional principal-agent model to Central and Eastern Europe for being often too narrow-minded and argue for the use of broader approaches, such as the stakeholder model, to analyse the complex reality of corporate governance in transforming societies.

Theo Postma and *Niels Hermes* focus on Estonia as a particularly progressive country in recent years. Comparing corporate governance in Estonia with the current state of other countries in CEE they clearly demonstrate that strengthening the formal institutional setting, and in particular the corporate governance institutions, is crucial to further enhance the process of economic transition in the region. Moreover, the authors also stress that further efforts are needed with respect to the enforcement of rules to secure further progress.

Mairi MacLean, *Jutta Howard* and *Graham Hollinshead* provide us with a critical look back on the transformation process in East Germany. It is shown that the privatisation agency "Treuhandanstalt" played a key role not only in the country's economic recovery but also in the specific kind of corporate governance developing in East Germany. Maclean and her colleagues identify some critical decisions and mistakes in the agency's history which perfectly detect how close interrelationships between politics and economics deeply influenced the whole process.

Last but not least, the research note offered by *Kenneth Roberts*, *Jochen Tholen*, *Takir Balykbaev* and *Daulet Duisenbekov* sheds light on a country which usually does not stand in the spotlight of corporate governance research, namely Kazakhstan. Similarities with the situation of corporate governance in Russia are identified as well as sharp differences. On this basis, the authors present a convincing explanation for the country's relative economic success in recent years.

This special issue, of course, is not aimed at summarising or completing the discussion about corporate governance in Central and Eastern Europe rather just to make a valuable contribution to further enhance work on this topic. We should make ourselves clear that not only corporate governance still has a long way to go in this region. Researchers, too, should make considerable efforts to fulfil their task of describing, analysing and explaining this complex matter. So, we both feel indebted, at first to the authors for having made this issue possible through their impressive work, at second to the numerous anonymous reviewers contributing with their critics to further improving the papers submitted, and not the least to the editorial board of JEEMS who encouraged us to venture this project.

Miklós Dobák, Thomas Steger (Guest editors)