

**Corporate Governance and Business Law
In Comparative Perspective
AS/SOSC 4043 6.0
F/W 2006-2007**

Course Director: Prof. Richard Wellen
Seminar Time: Fridays 11:30 – 2:30
Location: South 174 Ross Bldg.
Web site: www.yorku.ca/rwellen/sosc4043

Course Overview:

This course is intended to provide students with the opportunity to reflect upon the intersection between business and the law. The focus of the first part is on the nature of the firm and issues of corporate governance and responsibility. The issue of corporate social responsibility and the problems Enron-style corruption and failure of governance will be addressed.

The second section will focus on the comparative analysis of governance structures. We will pursue a general understanding of the Anglo-American model as it relates to company law, shareholder rights and the agency problem. This will provide a foundation for comparing the Anglo-American pattern with others. The goal will be to examine recent dynamics in the global economy and their effects on corporate governance, with a special emphasis on examining the thesis of convergence among the different models.

In the third section recent and controversial problems regarding the relationship between business and the law will be taken up. According to many, the rise of globalization and the so-called 'new economy' demand fresh approaches to business law issues such as antitrust, regulation, information products and intellectual property. These will be examined from both a critical and comparative standpoint with a special emphasis on the dilemmas of 'internationalized' regulation, trade, dynamic changes resulting from new technologies and the belief in the superiority of market-based solutions to business responsibility and regulation.

Throughout the course the goals will be (1) to undertake normative and critical social science analysis of the key issues and (2) to develop critically informed insights into the possible (private and public) policy responses of the problems addressed.

Course Director Information:

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Required Materials:

- Two Course Kits (Vol 1 now available for purchase at York Book Store)
- Internet Readings (see web site – also available on reserve at Scott Library)
- Films and Videos (classroom viewing)

Assignments and Grading:

First Paper (1500-2000 words)	15%	October 27
Mid-Year Take-Home Assignment	15%	December 6
In-Class Test	10%	February 9
Major Research Essay (3600 words minimum)	30%	April 11
Seminar Presentations		
1 st Presentation	10%	T.B.A.
2 nd Presentation	10%	T.B.A.
Seminar Participation	10%	

Schedule of Readings and Topics:

September 8 Introduction

September 15 Theories of the Firm

- Mallin, “Theories of Corporate Governance.”
- Boatright “The Financial Theory of the Firm”
- Oliver Hart, “An Economist’s Perspective on the Theory of the Firm,”

September 22 Capitalism, The Corporation and the Business System

- Fligstein, “Corporate Control in Capitalist Societies.”
- Fligstein, “The Transformation of Corporate Control.”
- Roy, Socializing Capital: “The Rise of the Large Industrial Corporation in America”

September 29 Introducing Governance Issues

- Halpern, “Systemic Perspective on Corporate Governance Systems.”

- Blair, “The neglected benefits of the corporate form: Entity status and the separation of asset ownership from control.”

October 6 **No Class**

October 13 Problems with the Shareholder Primacy Model

- Englander and Kaufman , “The end of managerial ideology: From corporate social responsibility to corporate social indifference”
- Ireland, “Shareholder primacy and the distribution of wealth”

October 20 Ethics and Stakeholders in Governance

- Stout, “Bad and Not-So-Bad Arguments for Shareholder Primacy.”
- Heath and Norman, “Stakeholder theory, corporate governance and public management: What can the history of state-run enterprises teach us in the post-enron era?”
- Kogut and Kornelius, “Creating the responsible firm: In search for a new corporate governance paradigm.”

October 27 Forms and Varieties of Capitalism

- Hall and Soskice, “Introduction to Varieties of Capitalism

November 3 Convergence and Divergence of Corp Gov Systems

- Haansman, Kraakman, , “The end of history for corporate law” (Internet: http://www.law.harvard.edu/programs/olin_center/corporate_governance/papers/No280.00.Hansmann-Kraakman.pdf)
- Jackson, “Origins of Non-Liberal Corporate Governance in Germany and Japan”
- Roe, “Modern Politics and Ownership Separation.”

November 10 Europe

- Woolcock, “Competition among forms of corporate governance in the european community: The case of great britain”
- Jackson, “Corporate governance in germany and japan: Liberalization pressures and responses during the 1990's”
- Edwards, “Corporate governance, industrial relations and trends in company-level restructuring in europe: Convergence towards the anglo-american model?”

November 17 Asia, Canada, other countries

- Higgins, “Corporate governance in japan: Role of banks, keiretsus and japanese traditions”
- Reading on Canada: T.B.A.

November 24

Governance and Labour

- Blair, “Firm-Specific Human Capital and Theories of the Firm.”

December 1

Alternative Systems

- MacCleod, “Inside Mondragon.”
- Smith, “Network Externalities and Cooperative Networks.”

January 5

Corporate Crime and Liability I : The Enron Case

- Deakin, “Learning from Enron” (internet: <http://www.cbr.cam.ac.uk/pdf/wp274.pdf>)
- Windolf, “Corruption, fraud and corporate governance: A report on Enron”
- Coffee, “A Theory of Corporate Scandals: Why the USA and Europe Differ”

January 12

Corporate Crime and Liability II.

- Glasbeek, “‘It’s not a Crime.’ Reclassifying Corporate Deviance”
- Passas, “Lawful but Awful: ‘Legal Corporate Crimes’”

January 19

Regulation

- Muchlinski, “A Brief History of Business Regulation” Kit vol. 2
- Noll, “Internationalizing Regulatory Reform” Kit vol. 2
- Arthurs, “Reinventing Labor Law for the Global Economy” Kit vol.2

January 26

Trade

- Vogel, “The California Effect” Kit vol. 2
- Baker, “International Trade in Media Products” Kit vol. 2

February 2

Consumer Law

- Trebilcock, “Information-Based Principles for Rethinking Consumer Protection Policy” Kit vol. 2
- Wilhelmsson, “Consumer Law and Social Justice” Kit vol. 2

February 9

Anti-Trust

- Rubinfeld, “Antitrust Policy” Kit vol. 2.
- Abramson, “Mortal Combat,” Kit vol. 2

February 23

Intellectual Property

- Posner, "Intellectual Property: The Law and Economics Approach," Kit vol. 2
- Lerner and Tirole “Economics of Technology Sharing” (Internet http://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID620904_code170891.pdf?abstra

ctid=620904&mirid=1)

March 2

International Issues in Intellectual Property

- Drahos, “Developing Countries and International Intellectual Property Standard Setting”http://www.iprcommission.org/papers/pdfs/study_papers/sp8_drahos_study.pdf
- Commission on Intellectual Property Rights, ch. 1 (Internet http://www.iprcommission.org/graphic/documents/final_report.htm)

March 9

Communications and Infrastructure

- Frischmann, “An Economic Theory of Infrastructure and Commons Management” (Internet http://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID704463_code232991.pdf?abstractid=704463&mirid=1)

March 16

Environmental Regulation

- Crals and Vereeck, ”Taxes, Tradeable Rights and Transaction Costs” Kit vol. 2

March 23

Presentations

March 30

Presentations and Conclusions