RIETI BBL Seminar
Handout

"Crisis, Commitment and the Corporation"

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Speaker: Prof. Colin MAYER
Commentator: MIYAJIMA Hideaki

http://www.rieti.go.jp/jp/index.html
FIRM COMMITMENT

Why the corporation is failing us and how to restore trust in it

Colin Mayer
A Most Remarkable Institution
The Problem
Concepts of the Corporation
The Consensus
Failure of Conventional View
How We Got Here
Shareholder Control
Agency Problems
Default
Reputation
Short-termism
Intergenerational Transfers
History of Japanese Corporations
Outside Ownership in Japan
The Goals
Long-term Ownership
Corporate Values
Board of Trustees
Taxation
Regulation
Protecting Future Generations
Ten Point Plan
• Tougher enforcement of legal violations
• Stronger regulation of systemic failures
• Less intrusive regulation elsewhere
• Corporations more responsible for their conduct
• Long-term owners in control
• Clearly stated values
• Independent boards responsible for values
• Reformed business education
• Principles adopted by governments
• Practices applied by corporations
Moral Firms
FIRM COMMITMENT

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