

RIETI BBL Seminar Handout

"Crisis, Commitment and the Corporation"

January 15, 2013

Speaker: Prof. Colin MAYER

Commentator: MIYAJIMA Hideaki

<http://www.rieti.go.jp/jp/index.html>

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

FIRM COMMITMENT

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

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

FIRM COMMITMENT

Colin Mayer

