

New Zealand Governance Centre Symposium 2010

Corporate governance in the post, post-world: The public/private debate

Date: Friday 9 April 2010

Venue: The University of Auckland Business School, Owen G Glenn Building, 12 Grafton Road, Auckland, New Zealand

New Zealand Governance Centre (NZGC) is a research centre in The University of Auckland Business School. It undertakes and promotes research in governance issues, and encourages interdisciplinary work. NZGC plans to hold a symposium at Auckland, New Zealand on corporate governance on 9 April 2010, and invites submissions from scholars and experts.

The symposium will explore whether and how regulation can provide guidance to private actors in promoting the responsible governance of public corporations. The paradigm of private ordering has dominated the discourse on corporate governance in the last three decades. It derived substantial affirmation from the bull phase in the stock market since the early 1980s, and the rise in share prices encouraged the shareholder value model of governance advocated in economic theory. Enron and other scandals at the turn of the century undermined the private ordering principle and the shareholder value maxim. The scandals led to decisive regulatory intervention through the *Sarbanes-Oxley Act of 2002*, which has inspired similar legislation in many other jurisdictions. Another significant exogenous intervention is the requirement under the stock exchange rules in most countries that listed companies must have a majority of independent directors.

The recent credit crisis and governance failures in the financial sector are fresh reminders of the limitations of the private ordering principle. The events at major corporations – AIG, Bear Sterns and Lehman Bros, to name a few – present an opportunity to revisit the theory of corporate governance, and explore avenues for promoting greater responsibility in the management of public companies. If the 1970s offered lessons about the shortcomings of the regulatory state, as it had been tried until then, the perils in leaving matters entirely to the market are now equally clear. The issue is especially acute in corporate organizations with their top-down, concentrated power structures.

The present climate is, arguably, more conducive for revisiting the public/private debate in corporate governance. It may be time to move beyond mono-dimensional approaches and the habit of treating the public and private as mutually exclusive, indeed antagonistic alternatives. The limitations of this view are obvious and correspondingly, there is greater appreciation of the value of multipronged, interdisciplinary methods for dealing with complex issues.

A judicious blend of public regulation and private ordering can be instrumental in achieving a state of equilibrium best suited for responsible and healthy corporate governance. The need is for a new mode of thinking about regulation – one that is more concerned with improving functional efficiency, avoids static or rigid rules and is less reliant on the “command-and-control” techniques traditionally applied in public regulation.

Within the broad and overarching theme outlined above, the areas of interest would include but are not limited to:

- Corporate governance and regulation
- Codes of governance and the experience with voluntary self-regulation
- Revisiting the role of the shareholders
- The shareholder value mantra and the lessons from it
- The stakeholder principle as an emerging model of governance
- Board of directors and its functions
- “Say on pay” and the debate on executive compensation
- Capital markets and their influence on corporate governance
- Corporate social responsibility
- Institutional investors, socially responsible investing and corporate governance
- Convergence between corporate theory and management theory

The papers selected for the symposium will either be published as an edited collection by a reputed publishing house or in a special issue of *New Zealand Business Law Quarterly*, a leading academic journal in Australasia, subject to the standard peer review and editorial procedures.

Confirmed Participants:

The following are among the confirmed participants in the Symposium:

- **Lynn Stout**, Paul Hastings Professor of Corporate and Securities Law, UCLA (Keynote address)
- **Ed Waitzer**, Jarislowsky-Dimma-Mooney Chair in Corporate Governance, York University, Toronto
- **Robert Kolb**, Frank W. Considine Chair of Applied Ethics, Loyola University, Chicago

At this stage, NZGC does not expect that it will be able to meet the travel and stay expenses of the participants.

Submission Procedure:

- Submission of 2-page abstracts by **1 December 2009**
- Decisions about acceptance will be communicated before **20 December 2009**
- Final drafts of the accepted papers will be due for delivery by **25 March 2010**

For further information please email PM Vasudev at p.vasudev@auckland.ac.nz.