Fall 2017

Seminar: Corporate Governance

Instructors: Martin Lipton, Edward Rock & Wendell Willkie II

Requirements: Students must do all the assigned reading, attend and participate in class, and write three 5-page response papers. ¹ Response papers are due at 5 pm the day before class. Each student must open the discussion in one class by making a 15 minute presentation based on the readings. The grade will be based 50% on the response papers, and 50% on class participation. Unless otherwise specified, readings will be available on the course website.

Syllabus

• Week 1: September 6 (Wednesday): introduction and overview:
  o No reading
  o Introductory questions:
    ▪ What is corporate governance?
    ▪ What is this seminar about?

• Week 2: September 11: The politics of corporate governance (the 1930s)
  o Reading:
    ▪ Thurman Arnold, The Folklore of Capitalism (1937), Chapters 1, 8, 9
  o Introductory questions:
    ▪ What are the links between politics and corporate governance?
    ▪ What were the key corporate governance issues during the 1930s? How do they compare to the key issues today?

• Week 3: September 18: The Goals of Corporate Law: For whom is the corporation managed?
  o Reading:
    ▪ Classical approaches:

¹ “Response papers” are papers that respond to the reading – that is, engage with claims made or issues raised by the reading – and are not mere summaries.
- Dodge v. Ford Motor Company
- Robert Clark, Corporate Law at pp. 677-96
- ALI, Principles of Corporate Governance § 2.01 (including reporter’s note)
  - The rise of ESG as a force in public companies: EY Report: Is your nonfinancial performance revealing the true value of your business to investors? (2017)
  - UK Green Paper (pp. 34-42)
- Introductory questions:
  - For whom is the corporation managed? For whom should it be managed?
  - How are shareholder interests factored in?
  - How are non-shareholder interests factored in?