

## **CORPORATION 20/20 FALL 2010 LUNCH SEMINAR SERIES**

**Thursday, September 23**

*What is the “proper” purpose of the corporation? A transnational comparison.*

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**Summary:** Corporation 20/20 Principle 1 defines the purpose of the corporation as harnessing private interests to serve the public interest. The question of corporate purpose is seldom asked yet lies at the heart of societal expectations, contemporary corporate conduct and prospects for innovative corporate designs in the coming decades. New research reveals different answers across countries and over time. Each definition affects the scope of managerial fiduciary duties; regulating takeovers; mandating employee representation; disclosure requirements; and the requirements and revocation mechanisms for granting incorporation charters. The common wisdom that used to divide the world into the Anglo-Saxon shareholder-oriented approach and the Continental Europe stakeholder-oriented approach is overly simplistic and should not be accepted at face value. New developments in US state charter law open new possibilities for repurposing the corporation.

**Wednesday, October 13**

*What is an accountable corporation in the 21<sup>st</sup> century?*

**Alan Willis**, Advisor to Canadian Institute of Chartered Accountants (CICA), author of background papers for Canada's National Round Table on the Environment and the Economy Task Force on Capital Markets and Sustainability, and co-author of a CICA report on the business and climate change (<http://www.camagazine.com/archives/print-edition/2009/dec/features/camagazine31688.aspx>); and Discussant **James Post**, John F. Smith Professor of Management, Boston University, Co-Author, *Redefining the Corporation*.

**Summary:** Corporation 20/20 Principle 5 calls for corporations to be governed in a manner that is participatory, transparent, ethical and accountable. Accountability is a dynamic concept, evolving as societal expectations of business change in response to 21<sup>st</sup> century needs and expectations. It is manifested in governance, stakeholder relations, and the organization's commitment to transparency and ethical conduct. In the coming years, what norms of accountability should corporations be held to and what are the leading examples of organizations whose practices provide a glimpse of the frontier in corporate accountability?

**Thursday, October 21**

*What is a “fair” return to investors?*

**Richard Rosen**, Executive Vice-President and a founding director of Tellus Institute. His current research focuses on alternative economic visions and models for the global economy,

including new approaches to capital markets, regulation, and design of the production unit. Recent papers on global futures and visions of regional economies are available, respectively, at: <http://www.mdpi.com/2071-1050/2/8/2626/pdf> and [www.gtinitiative.org/documents/PDFFINALS/4Economy.pdf](http://www.gtinitiative.org/documents/PDFFINALS/4Economy.pdf)

**Summary:** Corporation Principle 2 calls for “fair returns to shareholders, but not at the expense of the legitimate interests of other stakeholders.” Fair returns remains an elusive and controversial issue in light of concurrent wage stagnation and productivity gains across many business sectors. Challenges to the conventional wisdom of the corporation as a “nexus of contracts” have emerged in the form of the corporation as “team production entity” and/or “the nexus of relationships among workers and other stakeholders.” How should fair returns be defined, measured and implemented to build just and sustainable enterprises and societies?

### **Corporation 20/20: New Principles for Corporate Design**

1. The purpose of the corporation is to harness private interests to serve the public interest.
2. Corporations shall accrue fair returns for shareholders, but not at the expense of the legitimate interests of other stakeholders.
3. Corporations shall operate sustainably, meeting the needs of the present generation without compromising the ability of future generations to meet their needs.
4. Corporations shall distribute their wealth equitably among those who contribute to its creation.
5. Corporations shall be governed in a manner that is participatory, transparent, ethical, and accountable.
6. Corporations shall not infringe on the right of natural persons to govern themselves, nor infringe on other universal human rights.