Course in Corporate Governance

The course builds on the innovative concept of combining a regular seminar offered by Prof. Hartmut Egger with a short lecture held by Prof. Douglas Nelson from Tulane University. The aim of the course is discussing key aspects of corporate governance from an economist’s point of view, including critical discussion on the respective topic. The course is suited for advanced Bachelor as well as Master students and, due to Prof. Nelson’s education in political science, the course offers a good opportunity for acquiring credit points for a “Verzahnungsseminar” in the P&E Bachelor and Master program.

Course content

Much of modern political economy, and the political economy of globalization in particular, focus on labor markets. This literature recognizes the fundamental importance of financial markets and corporate governance systems, but does so in an essentially ad hoc way. In this course, we try to build toward an analysis of globalization focused on financial markets and corporate governance. The course tackles two important issues. The first one is the firm and its relationship to financial markets. The second one is a comparative perspective on corporate governance that draws on research in comparative law, economics and politics. Also, some discussion on the effects of globalization will be offered in the course.

The seminar-style part of the course aims at giving an introduction into the topic of corporate governance from the perspective of economic research. The lecture builds on insights from the seminar and primarily focuses on the macroeconomic analysis as well as the political economy of corporate governance.

Requirements

- Active participation in both the seminar and the lecture
- Seminar presentation and moderation of the discussion afterwards
- Written work of about 10 pages (main text)
- Attendance and critical discussion in the lecture series
- Economics and IWE/IWG students can acquire 5 CP in their Bachelor program and 6 CP in their Master program. (The course can be selected as part of the “Governance” specialization block in the Economics Master and as part of the “Governance & Public Management” in the IWG Master.) P&E students can acquire 8/10 CP. For the additional points, these students have to participate in a “final discussion” on the course.

- There is no necessity for preparing written work or participating in the “final discussion” if P&E students just want to acquire 2 CP (kleiner Schein).

**Organization**

The course “Corporate Governance” consists of two parts. The first part will be a block seminar (scheduled for June 17/18). The second part will be block lecture (scheduled for July 7/8). There will also be a meeting with interested students in the in the first week of the semester (scheduled for Tuesday, May 3rd 10-12).

**Noteworthy:** The language of both the seminar and the lecture course is English.

**Application and deadlines**

- Applications including an academic transcript should be sent until April 17th 2011 (by e-mail to heidi.frohnhoefer@uni-bayreuth.de); late applications can be considered as long as there is free capacity.

- **Deadline for handing in written work:** July 31st 2011. (Slides should be handed in three days prior to the presentation.)

**Basic material**


Seminar topics

Block I: Theory of the Firm

Topic 1: Transaction costs and the firm


Topic 2: Agency, incomplete contracts, etc.


Topic 3: Why does capital hire labor?


**Block II: Law and Economics of Corporate Governance**

**Topic 4: Separation of ownership and control**


**Topic 5: Capital markets and managerial control**


**Topic 6: Boards, compensation and control**


**Topic 7: Worker councils, co-determination, etc.**


**Topics addressed in the lecture**

Block III: Macro Analysis of Corporate Governance

- Legal foundations of corporate governance
  


- Quality of law and corporate governance

Mark Roe (2003). *Political Determinants of Corporate Governance*. Oxford: OUP. [Section VI, pp. 159-196 for this topic.]

- Legal structure, financial systems and growth


Block IV: Political Economy of Corporate Governance

- PE of Corporate Governance, I


Financial Development in the Twentieth Century”. *Journal of Financial Economics*; V.69-#1, pp. 5-50. [Pages 1-17 for this topic.]

- **PE of Corporate Governance, II**

- **PE of Corporate Governance, III**

- **PE of Corporate Governance, IV**