

“Evolutionary Regulation: Rethinking the Role of Regulation in Economy and Society”

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Convened by:

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Abstract

Transformations driven by deregulation, technological change, financialisation, and globalization, international accounting convergence, and the ongoing financial crisis have challenged our settled modes of regulation. They have provoked the development of disparate and even rival modes of regulation, and raised questions about the received perspectives on the role of the State and of the Law. In regulatory evolution, intentional design, unintended consequences, learning, and dynamic adjustments interact, and every global or local regulator must settle the delicate balance between principles, norms and rules in this evolutionary context. This special session aims to contribute to the current debate by convening scholars from different perspectives and disciplines to address this evolutionary process of regulation and its implications for economy and society.

Description

Both design and evolution play an important role in regulation. In other words, regulation works as a social system where intentional design, unintended consequences, learning, and dynamic adjustments lead to an evolutionary process over time and space. In this evolutionary regulation, not only the design provided by a given regulator, but also the legal, political, and financial systems react to ongoing changes by changing the rules and the overarching laws and institutions. The process itself is then subject to the same interplay between mutations by human design - based upon far-from-perfect knowledge - and dynamic adjustments of behaviors embedded in the socio-economic system as a whole. Global as well as local regulators try to find the delicate balance between principles, norms and rules in this evolutionary context.

In recent decades, a rapid and intense pace of transformations has been driving such regulatory evolution. Industrial deregulation, technological changes, financialisation and globalization effects, international accounting convergence, the ongoing financial crisis, just to name some, have challenged different fields of regulation, at risk of provoking the

development of disparate and even rival modes of regulation having distinctive ways to assure their functioning and achieve their legitimacy. This evolutionary process of regulation defies the received theoretical perspectives on the role of the State and of the Law. Different understandings of regulation arise: either as a regulatory framework establishing a level playing field, as a strategic instrument to be exploited in business affairs, and as a driver for, and device of, economic efficiency and social effectiveness.

In this context, some domains of regulation are of utmost importance for economy and society and deserve special attention: regulated industries; taxation and fiscal policies; corporate groups; accounting standards and financial securities; new technologies related to human and biological life; telecommunications and information.

This special session aims to contribute to the ongoing debate on regulation and regulatory intervention in human affairs by shifting towards greater recognition of the fundamental implications of such evolutionary regulation embedded in economic and social systems. Scholars adopting different perspectives on these matters (and coming from different disciplines) are invited to share their views in order to generate ideas and suggestions for addressing the current impasse and rethinking the role of regulation in economy and society.

Agenda:

Submission of long detailed abstracts (1000 words) +biographic note +research summary	<i>March 15, 2010</i>
Acceptance	<i>April 1, 2010</i>
Submission of conference papers	<i>June 1, 2010</i>

Program

Evolutionary Regulation I – Regulation and the State

Scheduled Time: Fri, Jun 25 - 9:00am - 10:30am, Building/Room: Alter Hall / Alter 606

Moderator: Sallyanne Payton (University of Michigan School of Law)

Gregory Shaffer, University of Minnesota School of Law – “Transnational Transformations of the State: Legal Change, Resistance and Recursivity”

Jaime Marques Pereira, Université de Picardie Jules Verne; Stéphane Longuet, Université de Picardie Jules Verne – “Toward a political economy of government”

Reuven Avi-Yonah, University of Michigan Law School – “Taxation as Regulation”

Evolutionary Regulation II – Regulation of markets by the market?

Scheduled Time: Fri, Jun 25 - 10:45am - 12:15pm, Building/Room: Alter Hall / Alter 606

Moderator: Yuri Biondi (Cnrs – Ecole Polytechnique of Paris)

Helen Callaghan, Max Planck Institute for the Study of Societies; Paul Lagneau-Ymonet, Université Paris IX Dauphine; Angelo Riva, European Business School of Paris – “Market for Markets - Causes and Consequences of Stock Exchange Demutualization”

Kenneth Zimmerman, Oregon Public Utility Division – “The Regulation of US Electricity Markets and the “Efficient Market Hypothesis:” A Story of Failure and Backtracking”

Aaron Major, University at Albany (SUNY) – “Global governance in the neoliberal context”

Evolutionary Regulation III - Shareholder primacy: corporate and financial issues

Scheduled Time: Fri, Jun 25 - 3:30pm - 5:00pm, Building/Room: Alter Hall / Alter 606

Moderator: Reuven Avi-Yonah (University of Michigan School of Law)

William Bratton, Professor, Georgetown Law – “The Case Against Shareholder Empowerment”

Jean-Philippe Robé, Gibson Dunn – “Firms and Corporations”

Lynne Dallas, University of San Diego School of Law – “Caring Too Much About Stock Prices: Management Myopia and Long-Term Institutional Shareholders”

Evolutionary Regulation IV - Economics and law of business groups

Scheduled Time: Sat, Jun 26 - 9:30am - 11:00am, Building/Room: Alter Hall / Alter 606

Moderator: William Bratton (Georgetown Law)

Kurt Strasser, University of Connecticut School of Law; Phillip Blumberg, University of Connecticut School of Law – “Legal Form and Economic Substance of Enterprise Groups: Implications for Law and Economics”

Faith Hatani, University of Manchester – “Network learning in global expansion: An evolutionary view”

Nadine Levratto, CNRS - University of Paris X Nanterre; Ingrid Groessl, University of Hamburg – “International Similarities of Bank Lending Practices and Varieties of Bankruptcy Laws: A comparative analysis of France and Germany”

Evolutionary Regulation V - The formation of rules: evolutionary perspectives

Scheduled Time: Sat, Jun 26 - 1:45pm - 3:15pm, Building/Room: Alter Hall / Alter 606

Moderator: Shyam Sunder (University of Yale School of Management)

Discussant: C. Richard Baker (Adelphi University, NY and Rouen Business School, France)

Christoph Kuhner, University of Cologne – “Competition of accounting standards, comparability of financial information, and critical masses: an evolutionary approach”

Yamina Tadjeddine, University Paris X Nanterre; Sandra Rigot, University Paris X Nanterre – “Emergence of a New Regulation: Informational Disclosure Modalities in the Hedge Fund Opacity World”

Evita Paraskevopoulou, Universidad Carlos III de Madrid – “Analyzing the institutional innovation process: EU regulation through an evolutionary lens”

Evolutionary Regulation VI - Local and Global: Regulating socio-economic systems

Scheduled Time: Sat, Jun 26 - 3:30pm - 5:00pm, Building/Room: Alter Hall / Alter 606

Moderator: Arnaldo Canziani (Università degli Studi di Brescia)

Alain Couret, Professor at the Sorbonne School of Law – “The development of the « comply or explain » principle in Europe”

Dan Danielsen, Northeastern University School of Law – “Local Rules and a Global Economy: An Economic Policy Perspective”

Diane F. Frey, London School of Economics; Gillian MacNaughton, University of Oxford – “The Right to Decent Work: Strategies for a Human Rights-Based Approach to the ILO Decent Work Agenda”

About the guest organizers

Reuven S. Avi-Yonah, the Irwin I. Cohn Professor of Law and director of the International Tax LL.M. Program, specializes in international taxation and international law, and is widely published in these subject areas. He also served as consultant to the U.S. Treasury on tax competition and OECD on tax competition, and is a member of the Steering Group of the OECD's International Network for Tax Research and chair of the American Bar Association's Tax Section Committee on Consumption Taxes.

Professor Avi-Yonah earned his B.A., *summa cum laude*, from Hebrew University and then earned three degrees from Harvard: an A.M. in history, a Ph.D. in history, and a J.D., *magna cum laude*, from Harvard Law School. Avi-Yonah has been a visiting professor of law at the University of Michigan, New York University, and the University of Pennsylvania. He has also served as an assistant professor of law at Harvard and as an assistant professor of history at Boston College. In addition, he has practiced law with Milbank, Tweed, Hadley & McCloy, New York; Wachtell, Lipton, Rosen & Katz, New York; and Ropes & Gray, Boston. His research interests focus on various aspects of taxation and international law, but also on corporate governance and social responsibility.

Link: <http://cgi2.www.law.umich.edu/FacultyBioPage/facultybiopagenew.asp?ID=29>

Yuri Biondi studied economics and social sciences at the Bocconi University of Milan (MSc) and economic analysis and history of institutions and organizations at the Universities of Lyon and Brescia (PhDs). In France, he has taught at the universities of Lyon, St. Etienne and the Cnam of Paris (www.cnam.fr). He is currently tenured researcher (research fellow) for the French National Centre of Scientific Research (www.cnrs.fr) at the Ecole Polytechnique of Paris (www.polytechnique.fr) and affiliated professor of corporate governance and social responsibility at the Cnam of Paris. He is the promoter and main editor of “The Firm as an Entity: Implications for Economics, Accounting, and Law” (Routledge, 2007) and co-editor, with Tomo Suzuki, of “The Socio-Economics of Accounting” (Socio-Economic Review, special issue, October 2007). His research interests include the interdisciplinary foundations of the theory of the firm and its governance and regulation, and the analysis and implications of national and international accounting regulations.

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Shyam Sunder is the James L. Frank Professor of Accounting, Economics, and Finance at the Yale School of Management, Professor in the Department of Economics and Professor (Adjunct) at the Yale Law School.

Sunder is a world-renowned accounting theorist and experimental economist. His research contributions include financial reporting, dissemination of information in security markets, statistical

theory of valuation and design of electronic markets. He is a pioneer in the fields of experimental finance and experimental macroeconomics. He has published six books and more than 150 articles in the leading journals of accounting, economics and finance, as well as in popular media. Sunder's current research includes the problem of structuring US and international accounting and auditing institutions to obtain a judicious and efficient balance between regulatory oversight and market competition. He has been an invited speaker at more than three hundred universities in US, Europe, Latin America and Asia for his expertise in accounting, management and economics. Before joining Yale University in 1999, he served as a member of faculty at Carnegie Mellon (Richard M. Cyert Professor of Management & Economics), the University of Minnesota (Honeywell Professor of Accounting), and the University of Chicago. He was educated as an engineer at the Indian Railways Institute of Mechanical and Electrical Engineering and after moving to US in 1970, received his M.S. and Ph.D. in Industrial Administration from Carnegie Mellon University.

Sunder has served the American Accounting Association as its President (2006-7), Director of Research (1988-1990), Distinguished International Visiting Lecturer (2000), and Presidential Research Scholar (1999) and as member or chair of many of its committees. He is a two-time recipient of AAA-AICPA's Notable Contributions to Accounting Literature Award (1982 and 1998), AAA's Manuscript Award (1975), former Director of Yale Center for Corporate Governance and Performance, Honorary Research Director of Great Lakes Institute of Management (India), and Honorary Research Professor at Nankai University and Southwest Jiaotong University (both in China). He served as the chair of Carnegie Mellon University's Faculty Senate and a member of its Board of Trustees. He has held visiting faculty appointments at the Indian Institute of Management, Ahmedabad, California Institute of Technology, University of British Columbia, University of Arizona, Northwestern University, Universitat Pompeu Fabra (Barcelona, Spain), Kobe University (Japan), National Taiwan University (Taipei), Bocconi University (Italy), Hong Kong University of Science and Technology, Universidad Nacional de Colombia (Bogota), Mannheim University (Germany), Universidad los Andes (Bogota, Colombia) and University of Trento (Italy). He has delivered over fifty keynote addresses to professional and academic audiences in US and abroad. He has served as editor, associate editor and referee for many scholarly journals of accounting, management and economics published in US and abroad.

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Accounting, Economics and Law – A Convivium

They are the founders and main editors of the interdisciplinary and transnational journal “**Accounting Economics and Law – A Convivium**”, published by The Berkeley Electronic Press.

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Selected proceedings of the conference will be published by this journal