

Corporate Decision Making and the Rules of the New Global Economy

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Course Overview

This seminar examines how corporate decision-making is shaped by the evolving architecture of the global economy. It focuses on how boards and corporate actors operate under conditions of legal diversity, geopolitical fragmentation, regulatory competition, and technological disruption.

The course adopts an interdisciplinary approach, combining legal analysis, economic reasoning, and behavioral insights. It is designed for both advanced law students and practitioners, with a strong emphasis on applicability in cross-border contexts and attention given to hybrid economies.

Learning Objectives

By the end of the seminar, participants will be able to:

- understand how legal diversity, regulatory volatility, and shifting geo-economic conditions shape high-stakes corporate strategy and board-level decision-making.
- diagnose and manage core governance problems (conflicts of interest, stakeholder alignment, externalities, and corporate purpose) using law, economics, and behavioral insights
- Negotiate effectively in cross-border settings, mastering the ability to switch between integrative and distributive strategies, adapt to cultural and informational asymmetries, and argue persuasively from opposing sides.

Pedagogical Methods

- Interactive lectures utilizing a structured Socratic method.
- Role-play simulations and applied problem-solving.
- Case studies and comparative discussions drawing upon the diverse jurisdictional experiences of the participants.

- *Active participation is expected and will significantly enhance the value of the seminar.*

Course Structure

Monday June 1, 9 am – 1 pm

Foundations: Corporate Decision-Making in a Fragmenting World

- 1. Why Corporate Decision-Making Now?**
- 2. Corporate Law Structural Features & Cross-Border Settings**
- 3. The New Global Economy: Three Structural Shifts**
 - From multilateralism to fragmentation and state intervention
 - From regulatory expansion to regulatory recalibration
 - From analogue to digital and AI-driven environments.
- 4. Boards as Decision-Makers**

Essential Reading

- Hansmann, H., & Kraakman, R. (2001). "The End of History for Corporate Law." *Georgetown Law Journal*, 89(2), 439-468.

Additional Readings:

1. Gilson, R. J. (2001). "Globalizing Corporate Governance: Convergence of Form or Function." *American Journal of Comparative Law*, 49(2), 329-357. DOI: 10.2307/840956
2. Armour, J., & Eidenmüller, H. (2020). "Self-Driving Corporations?" *Harvard Business Law Review*, 10, 87-116. (Focuses on AI as a board tool and governance challenge). [URL: <https://ssrn.com/abstract=3445585>]
3. Mariana Pargendler, (2019) "How Universal Is the Corporate Form? Reflections on the Dwindling of Corporate Attributes in Brazil," *Columbia Journal of Transnational Law* 58, 2019, 1

Tuesday June 2, 9 am – 1 pm

Behavioral Decision-Making and Corporate Relevance

- 1. From Formal Rules to Real Decisions**
- 2. Role Play Exercise: "Set the Price"**

Essential Readings:

- Kahneman, D., Lovallo, D., & Sibony, O. (2011). "Before You Make That Big Decision..." *Harvard Business Review*, 89(6), 50-60.[URL: <https://hbr.org/2011/06/the-big-idea-before-you-make-that-big-decision>]
- Helleringer G., Behavioral Perspectives in The Oxford Handbook of Corporate Law and Corporate Governance (Oxford University Press, 2025)

Additional Readings:

1. Thaler, R. H., & Sunstein, C. R. (2003). "Libertarian Paternalism." *American Economic Review*, 93(2), 175-179. DOI: 10.1257/000282803321947001
2. Malmendier, U., & Tate, G. (2005). "CEO Overconfidence and Corporate Investment." *The Journal of Finance*, 60(6), 2661-2700. DOI: 10.1111/j.1540-6261.2005.00813.x
3. Bazerman, M. H., & Moore, D. A. (2012). *Judgment in Managerial Decision Making* (8th ed.). John Wiley & Sons.[URL: <https://www.wiley.com/en-us/Judgment+in+Managerial+Decision+Making%2C+8th+Edition-p-9781118065709>]

Wednesday June 3, 9 am – 1 pm

Geopolitics and Regulatory Competition

- 1. Why and How Geopolitics Matters for Corporate Governance**
- 2. Comparative Case Studies of Institutional Frameworks**
- 3. Regulatory Competition and Industrial Policy**

Essential Readings

Milhaupt, C. J. (2025). Corporate governance in an era of geoeconomics. *Journal of Corporate Law Studies*, 25(2), 281–320.

Readings:

1. Henry Farrell & Abraham L. Newman, "Weaponized Interdependence: How Global Economic Networks Shape State Coercion," *International Security* 44, no. 1, 2019, 42–79. DOI: 10.1162/isec_a_00351.
2. Tooze, A. (2018). *Crashed: How a Decade of Financial Crises Changed the World*. Viking. (Focus on Chapter 23 for geoeconomics).[URL: <https://www.penguinrandomhouse.com/books/315132/crashed-by-adam-tooze/>]
3. Milhaupt, C. J., & Zheng, W. (2015). "Beyond Ownership: State Capitalism and the Chinese Firm." *Georgetown Law Journal*, 103(3), 665-722.[URL: <https://ssrn.com/abstract=2538184>]

Thursday June 4, 9 am – 1 pm

Capstone Simulation: Board Crisis

- **The Scenario:** real-time board crisis simulation. Participants will step into the executive boardroom of Dream Weaver, a €10 billion European luxury leather goods brand. Dream Weaver is facing an acute supply-chain and public relations crisis after an investigative journalist and a major NGO uncover plausible evidence of corruption, unsafe conditions, and child labor at DiloFino—a supplier in Brazil responsible for 72% of the brand's highly profitable crocodile skins.
- **The Dilemma:** Operating under a severe time constraint and the impending threat of the French Duty of Vigilance law and global anti-corruption statutes (FCPA/UK Bribery Act), the board must abandon "business as usual." Students will debate the CEO's recommendation to acquire DiloFino to force compliance, versus the costly transition to a contingency supplier (CocoMex).

Participants will prepare each prepare for a role:

- A. CEO
- B. Board chair
- C. Independent director who chairs the audit committee
- D. Director elected to represent employee interests
- E. Director closely identified with the company's principal shareholder
- F. Company secretary
- G. Observer
- H. Additional independent director(s)

The board must decide how Dream Weaver should respond to a crisis involving DiloFino, a critical supplier of crocodile skins.

Final discussion questions