Conference on the Role of Government Regulation in Corporate Finance
October 10, 2009

The role of government in corporate financial decisions is far reaching. It ranges from tax policy that affects financial structure and profitability, to regulation of new issues, to disclosure requirements, to governance standards, and to a variety of other corporate behavior. Interest in the role of regulation in corporate finance has been fueled by the Enron scandal of 2001 and more recently by the banking crisis and the bailout of AIG. These events have led to renewed calls for increased government regulation of corporate governance, executive compensation, firm investment and financing policies and more comprehensive regulation of financial intermediaries. These developments represent a significant departure from US government policy of deregulation that held sway in the 1970s, 80s and 90s and raise questions about whether the pendulum could swing too far in the direction of overregulation. To the extent that government policy impacts corporations, it is reasonable to argue that corporations, in turn, will attempt to influence government policy via lobbying and other methods.

The purpose of this conference was to bring together researchers in economics, finance, financial accounting, law, and the political science to analyze the effect of government regulation in corporate finance issues and the corporate responses to these regulatory changes. Held at Owen Graduate School of Management, the conference was sponsored by the Financial Markets Research Center at Vanderbilt University.