

Eleven steps to encourage reform in corporate governance and generate good jobs

By Kate Kennedy¹

Here are 11 ideas for reforming corporate governance by creating a climate which encourages investing in growth and workers, holding executives accountable and embracing a more holistic view of profitability, that includes the company's externalities and values the stakeholders over shareholder value maximization

- 1. Generate more jobs through Investment in infrastructure** -- Create jobs and enhance U.S. global competitiveness through public investment programs, generating jobs in both construction and manufacturing sectors through public investment in U.S. transportation network – ports, seaports, roads, bridges, railroads.
- 2. Full and stable employment with good wages** -- Increasing profit sharing, workers' voices within the company, raising the minimum wage, and government regulation guaranteeing stability benefits and fair employment policies given flexible or part-time work.
- 3. Education opportunity for all** -- Access to the same high standard of education for all and paths for those who do not choose the academic route: apprenticeships and vocational training.
- 4. Support technological Innovation and Regional Clusters** -- Government policies to encourage innovation, smartly choosing their investments, giving tax credits for research, competitive grant awards, and supporting emerging clusters financially and with infrastructure.
- 5. Fair global trade** -- Regional collaboration and international commitment to fair trade policies looking to the WTO, focusing on exchange rate manipulation, intellectual piracy, and illegal subsidies (i.e. China).
- 6. Fair tax policy** -- Make taxes more progressive by reducing expenditures, especially in the corporate tax by lowering the rate to encourage domestic manufacturers and changing interest deduction rules.
- 7. Increasing workers' political voices** -- Increasing workers' political clout through their voice outside of the company: strengthening unions by expediting union elections, commitment to good faith bargaining and protected rights.

¹ -- The author, an undergraduate, compiled this list during a five-week internship at The Rules Change Project and ReclaimTheAmericanDream.org in the summer of 2015.

- 8. Promoting social inclusion** -- Family friendly labor policies such as flexibility in the work schedule including paid parental leave and vacation, efforts to empower minorities and reduce discrimination. Investing in workers means choosing those most qualified without considering their gender or race
- 9. Create jobs in non-tradable sectors, such as Infrastructure** -- Companies that are committed to long-term profitability will take their externalities into account and invest in them: the roads, airport, and transportation they rely on. They would also take into account the people they rely on and invest in them, avoiding lay offs at all costs
- 10. Support for technological innovation** -- With a commitment to stakeholders long term profitability, technological innovation will feed off and create more innovation, allowing more jobs and giving America a privileged position in the global economy
- 11. Vote with your pocketbook** -- The easiest thing you can do, however, is vote for reformed corporate governance with your power as a consumer – vote for good companies by giving them your business.