The failures and reform of corporate governance

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Abstract: - The concern of the companies, employers' organizations and public authorities to the "governance" crisis is justified by the need for economic recovery and the identification of new forms of management to meet the requirements of sustainable development model. The current crisis has shaken the global governance rules applicable after the '70s and has highlighted the major difficulties related to controlling the managerial remuneration, risk management, the transparency of the activities of corporations, the role and responsibility of shareholders, etc.Offering a new perspective and way of approaching the crises, as well as the analysis of the failures of shareholder governance in the context of the generalized crisis of capitalism and efforts to renovate the economic and financial theory, within this article we have suggested the areas and main sets of measures to ensure a double reform of corporate governance, both in theoretical and ideological perspective, as well as in institutional and legal perspective.

Keywords: major crisis of capitalism, utopian economy, shareholder governance, governance failures, alternative models of governance.

1. Introduction

The capitalist system, and implicitly the governance forms and models, are confronted with ongoing challenges. The congruence of the capitalism crisis with the crisis of the companies' governance accounts for a feature of the contemporary era. Crises hold an important role in terms of foundations for its future expansion.

As economic system, capitalism is affected by permanent changes, which, in turn, instils new features to the governance systems. The interpretation framework of the capitalism mutations is based on its evolutional and social adaptive character. Capitalism has never been a static system, which follows a fixed set of rules, characterized by a permanent division of responsibilities between private companies and the government. Capitalism is constantly innovative and represents a system that develops according to the changed environment (Kaletsky, A., 2010, p. 2). However, capitalism reinvents itself and reinvigorates itself through crises. From this point of view, the current global crisis emerges in a new light, as a catalyst for profound transformations, representing a period of regeneration of capitalism.

The first great crisis of the 21st century reveals the excesses of capitalism. Attention is focused on the analysis of the impact over the financial industry and the Anglo-Saxon model of corporate governance. Analyses dedicated to this issue have highlighted various aspects of provocative and challenging character: we are dealing with crisis of capitalism or crisis in capitalism; whether it is about the exhaustion of the valences of the shareholder governance model; whether globalization and standardization represent prerequisites for mitigating the differences between models of governance and whether they may lead to an eventual convergence; what are the alternatives to the model of shareholder governance; it requires a simple adjustment of the current governance mechanisms or alternative models are needed; the crisis is causing the end of the hegemony of the Anglo-Saxon model of governance; whether the completion of some additional regulations in the field of governance may be counterproductive, etc.

However, the Great Recession has shattered many of the dominant "truths" which existed in the previous era and has helped to establish a new type of economic thinking, whose coordinates can be systematized as such: all crises are necessarily crises of ideas; designing crisis as political, economic and

DOI: 10.37394/232024.2021.1.9

ideological deadlock; persistent instability of the economic-financial system is normal within the capitalist economy; economy has destabilizing internal forces; markets are inefficient and crises are inherent; it lays in the nature of any economic system to experience crisis.

2. The failures of corporate governance

The theoretical and ideological framework, as foundation element, significantly marks the quality and efficiency of the systems of companies' governance. The spread and virulence of the economic and financial crisis constitutes, to a large extent, the expression of the erroneous character of the fundamentals of the dominant models of governance. The invalidation of the theoretical premises contributed to the triggering of the crises of the shareholder governance model based on false assumptions.

Identifying the failures related to corporate governance requires the critical analysis of the main assumptions, theories and ideas expressed by generations of thinkers in economics and finance that have dominated public discourse. Sometimes, the differences in vision over the economic and financial mechanisms are so obvious that an economist may be considered dissident or heretic in relation to the generally accepted views in that certain field.

There are more and more specialists who believe that the current deadlock aims mainly at the Orthodox economy where many of the hypothesis and theoretical premises have originated from and on which the current corporate governance models were built on.

- **The triumph of free market economics.** The free market ideology represents more than a set of beliefs; it constitutes a well-developed and structured way of thinking about the world (Alan Greenspan). The conservative domination period (1997-2007) has culminated with the period called The Greenspan Bubble Era. Such ideas have their origins in the basic premise of Adam Smith on free markets, namely the fact that individuals are acting in their own interest, thus stimulating competition (in the pure form of this paradigm, the markets are self-regulating), as well as in the case that all markets permanently act according to the own rational self-interest.
- **In the logic of laissez-faire**, markets aspire to an optimal level of prices, with the most productive allocation of resources, which configures a state of possible balance. Conclusion: naturally, free markets reach an optimal balance. The utopian economics presents essentially the formal theory of the free market, which economists call the general equilibrium theory, which gives "scientific" support for the idea of an economy as a stable and self-correcting mechanism. According to the general equilibrium theory, the economy will automatically allocate resources efficiently.

Milton Friedman, a prominent supporter of the free market capitalism, according to some the most influential economist after Adam Smith, believes self-regulation as the only type of regulation. In his view, the Great Depression was caused by the mismanagement from the government, rather than the imminent instability of the private economy.

- **The confrontation between the efficient market school, for which all negative shocks represented destabilizing moments and the school of financial instability.** The introduction of efficient markets hypothesis launches as main message the fact that asset prices are always and everywhere fair, taking into account all available information. The classical competitive hypothesis assigns the price system the ability to include and circulate any information required by the economic operators. Price efficiency hypothesis is based on the idea according to which the price system provides an ample transparency of the information embedded into the price. Such hypothesis represents the subject of some reconsiderations together with the differentiation between different forms of effectiveness proposed by E. Fama, Professor of Finance at the University of Chicago, (Cohen, E., 2004, p.71). The financial theory shows that the "efficiency" of the financial market represents the condition for the allocation of resources to be achieved in an optimal way. By the '70s, efficient markets hypothesis remained the dominant doctrine.
- **The contemporary economic researches are made based on suppositions founded on three concepts: balance, national behaviours and the expectations' rationality.** Since the 90s, the theory of rational expectations expands within the new classical economy, whose climax was represented by the construction of the real business cycle. The new Keynesian models are self-correcting equilibrium models, built on the foundations of the efficient financial markets and rational expectations. Even their authors admit that these models do not provide any guidance for the authors of the economic policies in times of financial turbulence. One may assess that the major ideas that have transformed the economic and political thinking during the decades prior to the global crisis are

those belonging to the theory of rational expectations, which argue that the capitalist economy does not need to be stabilized by government or the central bank and the theory of efficient markets intervention, according to which the competitive finances will always allocate resources in the most efficient manner possible, reflecting the best available information and forecasts for the future (Kaletsky, A., 2010, p. 158). These ideas have not been found in separate theoretical constructions and have been presented as hypotheses; the rational expectations hypothesis, the efficient market, etc. and their relevance has been marked by the following magic words: rational, efficient, perfect, natural.

- **The hypothesis of informational efficiency of the stock market has gained a wide recognition in the academic community in the '70s.** The idea that "the market forces" make out of the stock course the best indicator of performances in the long term for a company was accredited. Based on this assumption, managers should be evaluated and paid according to the value of the stock. The following idea gains notoriety: a well-managed company must be controlled by independent managers and must be driven based on signals provided by the movement of the exchange rate (Rebérioux, A., 2009, p. 65).
- **The contemporary economic researches are built on a hypothesis that takes into account the concepts of balance, rational behaviour and the rationality of the expectations.** Consequently, crises are interpreted as the effects of exogenous disturbances in relation to the economy.
- **The illusion of eradicating poverty and ensuring a sustainable growth by means of finance; making finance the key tool in the economic activity and turning the financialisation the centre of the accumulation regime.** At the same time, conventional theories postulates that finances help stabilizing the economic fluctuations, contribute to the effectiveness of capital allocation and respond to the financing needs of real activities (Boyer, R., 2011, p. 47).
- **For many theorists, economies must be structurally established due to the displaying of the principles of rationality and the extension of market logic on all the fields of economic and social life.**
- **The old practice of accounting has represented an aggravating factor of the multiplying dysfunctionalities from the field of corporate governance.**

It is acknowledged and accepted the fact that accounting rules represent an important tool of communication in terms of the activity and results of the companies. Also, accounting is generally regarded as a neutral tool of representation of the movement of financial flows. But controversies registered have demonstrated the accounting contribution to the shaping of the operation of the economic system.

American-inspired changes introduced after the '80s, reveal a new attitude that originates in the rational expectations theory, according to which not only immediate gains are distributed to shareholders, as in the past, but also the future gains (Joriou, P., 2011 p. 64). This new international accounting system is based on the doctrine of fair value, which consists of recording the assets in the balance sheet at the "market value", fact which satisfies the interests of shareholders, investors and financial markets and not creditors or employees.

The crisis of 2008-2009 has illustrated the perverse effects of IFRS rules, especially their role which was destabilizing for companies and banks. Companies' accounts are subject to market fluctuations, fact which determines an increase in the dependency of the stock exchange companies and the worsening of the situation in a stock crisis.

New accounting rules applied in Europe also after 2005 favours the short term and continuous dissemination of information and expose companies to speculation risks and to the instability of the financial markets.

The critical positions towards these new practices are primarily concerned with the accounting tricks used to excessively increase the extra balance financial assets, the inadequate standards used for the assessment of the financial instruments, the deregulation and weak supervision by the relevant institutions, the lack of accountability and ethics, the excessive remuneration of managers in relation to their performance, etc. One of the consequences of introducing the principle of market value used in the interests of shareholders and investors, was represented by the emphasis of the balance instability and the banks' results and also the stimulation of the pro-cyclical behaviours (Plihon, D., 2010, p.94).

- **The limits of the purely financial concept in terms of "value creation"** with no direct connection with employment and company production refer to situations in which the value of the financial capital is determined on markets, with no connection to the realities of the productive apparatus (Plihon, D., 2003, p. 66).
- **Other sources of new side-slips and failures of the governance** to some enterprises led by the stock markets refers to: the remuneration of managers

through stock-options (Batsch, L., 2002, pp. 29-30), which had the objective of pursuing the interests of shareholders but have generated considerable risks with the sole purpose of increasing the exchange rates; divergences of interests of owners and managers. Leaders have the mission and responsibility of capitalizing the entrusted capital, activity which requires compliance with good governance practices. Ultimately, the quality of managing a company is certified by its financial performances; dysfunctions in terms of control. The analyses and empirical studies led have highlighted other issues as well; the improper functionality of the market discipline, the removal of managers from the control exerted by shareholders; other actors with the role to control the activity who have not exercised the role of counterbalance to management (for example, audit companies), situations which have favoured the manipulation of the courses and the opacity of information (the accounting and financial drifts of companies have not been denounced).

The new economic and financial developments of recent decades fully justified the concern for clarifying the issues regarding the company governance. The failures and deviations observed in this matter are rooted both in its theoretical sources, as well as in the impact of the current global crisis.

It has been demonstrated that the current model of corporate governance has been founded on false and questionable assumptions. Although they did not stand the test of reality, many of the theories, hypotheses and axioms which represented the theoretical pillar of the dominant model of governance remained quite influential within academia. Moreover, some questions still require thorough answers: what has determined the economists to adopt an unreal view of the world, how could one explain the long persistence of erroneous ideas, how was the economic science dominated by theories and hypotheses, which in the opinion of many economists either lead to errors of economic politics or distract the attention from important issues, etc.

The invalidation old theoretical foundations and the need to reconsider them represent aspects observed in works of some authors representative for the economic and financial theory, to a large extent, the economic theory has been built on the mechanical metaphor of balance and had profound effects on how economists see and understand the world (Skidelsky, R., 2010, p. 69).

- **Economics has alienated from the status of scientific discipline to the status of the supporter of free market capitalism**. There was no scientific basis for the assumption that markets are efficient (Stiglitz, J., 2010, p. 243). The efficient market hypothesis is based on a logical inconsistency.
- **Laissez-faire and the orthodoxy of the financial markets cannot explain the emergence of the financial crisis, the behaviour of the capital markets**. In short, the economic theory cannot explain the economic life. The scientific method claim, firstly, theories to be constructed in harmony with reality. From this perspective, the economic orthodoxy cannot be categorized as science (Cooper, G., 2008, p. 158).
- **The efficient markets hypothesis and rational expectations theory would not have been a real success if their promulgation would not have coincided with a period of economic turmoil**. As evidence, there was, in the Great Moderation stage, an insignificant support for reforming the system of the private company. Moreover, concerns were carried off from the analysis of economic fluctuations and turned to other issues (Cassidy, G., 2008, p. 106).
- **An alternative theory regarding the fluctuations of the financial market, capable to explain financial crises, is represented by the financial instability hypothesis and it belongs to Hyman Minsky**. He believes that financial markets are instable and do not lead to an optimal and natural allocation of resources. His arguments fight the fundamentals of the orthodox theory of laissez-faire. Therefore, the efficient markets hypothesis must be rejected.
- **There is an inherent and fundamental instability of the capitalist type of economy**, and the processes that generate financial fragility are “natural”, meaning they are endogenous to the system (Minsky, H., 2011, p. 16).
- **The financial system does not work according to the efficient markets laws imposed by the dominant economic theory**. The justification is offered by the argument that the financial system is inherently unstable and has no steady state equilibrium, being prone to the emergence of the boom-bust cycles.
- **The basic premise of the classical and neoclassical economics** according to which the individuals are acting on the long-term on the national self-interest was not entirely true (Greenspan, A., 2014 p. 291)
- **The statement according to which markets represent self-regulatory bodies and are stable, solid and secure symbolize the emanation of a simplistic and archaic belief** (Roubini, N., 2010, p.19)

- **The idea of rationality of the financial markets as self-regulating mechanisms represented an invention of the last few decades**; it constitutes a misinterpretation of the invisible hand theory that Adam Smith did not intend to apply it to finance.
- **The neoclassical economic has been dominated by dogmas, myths, ideological assumptions and hypotheses** (efficient markets hypothesis, the hypothesis of rational expectations, the hypothesis of the ineffectiveness of macroeconomic policies, etc.)

The hypothesis according to which markets were perfectly competitive represented a great simplification. The illusion of the perfect information and the myth of the perfect transparency, long dominant ideas, are becoming increasingly challenged. The idea of a self-regulating economy as a mechanism was absurd. The axioms of individual nationality and perfect competition have been contradicted by reality. But to claim that free markets always generate good outcomes is to fall victim to the illusion of harmony (Cassidy, J., 2010, p.8). The prevailing economic models in the recent decades were based on inappropriate assumptions. The economic theory ensures us that financial markets are stable, but experience has shown otherwise. The golden era of the financial stability has set. The financial theory was based on the idea that economists have not considered the implications of financial innovation for the whole economy.

Promoting and supporting such ideas and hypotheses, including by Nobel laureates theorists in economics, increased their political usefulness. The pseudoscientific objectivity of these theories was extremely attractive to conservative politicians, for whom economic problems like recession, the financial crashes, etc., were not specific to the capitalist system, but were due to government interference with the natural laws of the system. One can state that the strength of the modern economics paradigm comes primarily from its political implications (Katetsky, A., 2010, p. 179).

- **Recent developments of the financial theory lead to not taking into account the role of the information mechanisms**, starting from three major observations: information is partially and heterogeneously accessible to agents; information is not free, its production and dissemination entailing production and distribution costs; the existence of some information asymmetries that may affect the negotiation and the process of making transactions (Cohen, E., 2004, p. 72).
- **The attack on “maximizing shareholder value”**. Such a principle is considered a political vision over the enterprise that legitimates the domination on a category's interests to the detriment of other parties participating (Attac, 2009, p. 79). There are views that argue that maximizing shareholder value is not good also for companies or for the rest of the economy. Company management in the interest of shareholders must take into account the fact that the legal owners are not interested in achieving long-term goals; and professional managers seek to maximize their own profits and not the shareholders profit (Chang, Ha-Joon, 2011, pp. 29-30).

The ideas and theories that constitute the theoretical foundations of the governance systems should be investigated and assessed in a particular context. The test for a model or theory rather comprises their usefulness than their true character. Economic theories are considered metaphors, while models do not represent realistic descriptions. Given such circumstances, the economist’s ability lies in its ability to identify the moment of choosing the most appropriate theories and models in a given context. Good theories are those theories which are useful (Skidelsky, R., 2010, p.92).

The current global crisis has radical consequences in terms of relevance theory. It is the product of theories imagined by economists with a clear inclination to accept the ideological assumptions as hypotheses. Economic policy measures, as well as those regarding the deregulation were the result of some economic and political “forces”” economic and political - interests, ideas, ideologies (Stiglitz, J., 2010, p. XVII).

The recent recessions and crisis have demonstrated that numerous companies were faced with failures of governance in at least two areas of responsibility: guidance and oversight. The events that took place after 2007 began to shake the confidence in the valence of the shareholders governance model. A line of research should be the assessment of the impact of the current crisis, namely the extent to which a new reform of economic thought is justified (as the Great Depression did in the ‘30s), as well as the re-discussion of the governance system based to a great extent on the financial markets.

The increasingly evident vulnerabilities and dysfunctions present in the governance of large companies should impose the intensification of the reflections, as well as a wide debate on corporate governance to result in new approaches of the organizations theory, new debates in the financial system. The criticism of the shareholders vision, as well as the creation of a real reform within the governance field must proceed from certain observations and must propose solving numerous dilemmas: the exhaustion of the valences of the shareholders governance model; the crisis triggered in 2007 has invalidated all the prerequisites of the market fundamentalism and has facilitated the identification of the flaws in the economic and financial theories; the recent crises and recessions not only contributed to the un-legitimization of the Anglo-Saxon governance system, but also to the reconfiguration of the views on its superiority and its hegemonic role; the connection between the economic and financial turmoil manifestation and the concern for the reform of the theoretical framework of governance; the analysis of the governance failures in light of the new conception on crisis; the governance crisis does not occur to the same extent and virulence, but according to the features related to the share of the state within the economic activity, the development degree of the financial markets, the social and cultural traditions, etc.; the way in which the origins and consequences of the 2007-2008 crash can be analysed in the light of the contemporary economic theories; the extent to which the current crisis has transformed the nature of corporate governance; whether the crisis is primarily referring to the shareholders model or it is affecting the ensemble of the governance systems.

The collapse of the Anglo-Saxon corporate governance and theories that inspired it accelerates the drafting of a project for a new governance, which should be based on the reconsideration and renovation of economic and financial theories and the assertion that the old rules of the business world no longer apply once the economy has entered a new era.

3. Governance, where to? A new compromise

The issue of corporate governance has become increasingly important following the current global crisis, which imposed new perspectives and requirements on the operation of companies, in the top of the agenda being the economic growth and profit, as well as a new form of management to ensure a more efficient use of resources. The debate regarding the governance reform aims at both academia and the business world and includes both the requirements and criteria that should govern this process, as well as the identification of the areas and directions for action.

The important elements of reflection, which are susceptible of offering tracks for improving the governance system refer to the following: the government can and should play an important role in ensuring the welfare of companies. The profoundly composed governance should ensure sustainability of companies, which represent the central players of capitalism and the process of economic and social changes; the development of governance reform in the context of debates regarding the economic performance. The improvement of the governance system is part of the strategy to increase the overall performance of the companies. The effects of renovation the governance refers not only to companies, but also to the economy as a whole; the congruence of the governance model with the capitalism type. The reform of the framework of the corporate governance unfolds within the context of shaping the capitalist system; the flexible nature of the practices, rules and governance mechanisms, to respond to the requirements of the new realities which are continuously changing; the amplification of the difficulties in achieving the governance reform, held amid the global crisis, the complexity of the process, which involves both approaches to reform theoretical and ideological and legal and institutional foundations and the practices and rules used.

To a great extent, the comments regarding the new governance refer to the directions and measures which ensure the accomplishment of such desiderate.

- The change in view requires the reconsideration of the theoretical and ideological framework on which the concept regarding the corporate governance was based on, the recycling of the bad ideas and the process of demythologizing the economic discourse. A new theoretical support requires a new paradigm in economics, based on values and institutions. Also, in the spotlight is the renovation of the organization theory and financial theory. The new discourse on governance reform aims primarily to deepen the relations between company managers and shareholders. In terms of agency theory, the objective is to create incentive instruments to determine the agent (the manager) to manage the company according to the interests of “the main person” (the shareholder).
- Bringing again into discussion the issue of corporate governance is the corporate closely related to the accounting reform. The financial crisis has revealed the need to improve the accounting of the companies, the banking and financial institutions through the adoption of new accounting rules that strengthen the ability of the accounting to provide a meaningful representation of the financial situation and assets and new measures to contribute to the

improvement of efficiency and transparency. The philosophy of the new accounting will have an impact on the quality of accounting and financial information, as well as on the communication tools and on its activity and results.

- Promoting alternative forms of ownership starting from the inadequacies generated by the model of joint stock company, listed on the stock market, without significant shareholder which was the predominant form of companies in the Anglo-Saxon countries. As a result of the management and governance problems that these companies have faced, it is considered necessary to promote some forms of ownership which confers stability and durability to the ownership of firms and protect them from practices used by hedge funds. Draft amendments of the legal framework of public limited companies relate, inter alia, to ensure the stability of the shareholder that controls the company, which favours the promotion of long-term development plans and the establishment of a loyalty relationship with the employees, as well as the organization of various governance practices to ensure an adequate protection to the minority shareholders (Allaire, Y., Firsirotu, M., 2011, pp.99-120).
- The alternatives to the current governance model which is “shareholders oriented” must propose a broader approach to various other parties involved in the company’s business activity. An important objective must be the process of ensuring the balance between actors involved in the creation of value and, especially, in the division of value added between participants in its production. Also, it is considered necessary to promote new ways of involvement of all stakeholders within the governance mechanisms, the desire to include them in the decision-making process, as a result of expanding their interdependencies with the companies and the increasing of the influence exerted within the business world. The new governance requires the transition from one type of relationships among which a limited group exerts control to interactions that make desirable the choices of all stakeholders (Argüden, Y., 2011, p. 3).
- In the centre of the debate there are also the concerns for ensuring, to a greater extent, the pay equity and the prohibition of managers’ remuneration programs based on shareholder value. In this sense, there is a proposal regarding the appeal to a greater extent to the regulation in terms of managers’ remuneration, the limitation or at least the capping of the variable part of the management remuneration, in particular of the stock-options (Reberioux, A., 2009, p. 67).
- Introducing new governance practices through regulatory measures. Resuming some flexible forms of control should not be an issue of ideological preference, but of recognizing the complex realities of the post-crisis period. Explaining the destabilizing forces within the governance systems must also target the reconsideration of the opinion according to which the accomplishment of a regulation in that field would be counterproductive.

The relocation of part of the control towards companies would lead to the increase of the role of employees and representatives in governance. Strengthening the principle of “co-management”, present in many countries of the European Union, due to the presence of wage earner managers on the administration board would have positive repercussions on the performance made by the listed companies.

- Within studies and analyses devoted to improving governance practices and rules one can observe new initiatives: providing independent managers a more prominent place on the board of administration; establishing a new structure of public limited liability companies, with the separation of chairman and CEO positions; compliance with the main governance criteria (operation of the boards of administration, their composition, transparency of information, etc.); the independence of the board of administration in relation with the executive management; the enhancement of democracy within companies, etc.

Demystifying specific processes and identifying some alternative models to the current governance, require tireless efforts to answer some questions and to clarify some controversial issues: how should be reformed a governance system that has favoured the crisis; who will be the main actors of the new governance model, with a decisive role in building the strategy of companies; which will be the role of financial intermediaries, the institutional investors and the large international banks; which will be the nature of finances and how the capital markets will operate in the future; how will the division of power within companies be made and how can one settle the conflict of interests between shareholders and managers; the prevention of the excesses of corporate management must be carried out mainly by shareholders or regulatory agencies or by the government; how and to what extent the state should be involved in corporate governance, etc.

Identifying the failures of the shareholders governance enables setting the fields and measures

DOI: 10.37394/232024.2021.1.9

to ensure the construction of alternative models in line with the new realities and post-crisis exigencies. The magnitude and complexity of this process lies in building a double theoretical-ideological and institutional-legal reform, targeting measures and processes which are specific to the essence and nature of the economic system, as well as actions correlated with governance practices and rules. On the one hand, it is about promoting theories and doctrines to remove the myths that undermine joint representations about the economy; on the other hand, it is necessary to recognize the role of institutional structures and legal framework in the continuous improvement of corporate governance. The difficulty of this approach is due to the coincidence regarding the reforming of the Anglo-Saxon model of capitalism, as well as to ensure its political legitimacy.

4. Conclusions

Reconsidering the governance framework is manifested within the context of the third major crises and capitalism, the crisis of liberalism, as well as the invalidation of its theoretical and ideological foundations. The current global financial and economic crisis has revealed the excesses and failures of shareholders governance and has placed its issue in the middle of the debate.

The hegemony of finances has led to the crisis in the centre of which lay the financialised capitalisms. Together with this, the era of financial stabilization has set. The return of depression on economics, emphasizing the instability and vulnerability of corporate governance highlighted the need for a new unified theory of the economics of the crisis and a new insight and perspectives on such. A new conception of the nature and role of generalized crisis offers opportunities for reassessing the financialised capitalism to identify new creative and effective forms of governance and for another finance subject to the way of durable development.

The force of arguments which support the idea that new forms of governance must be invented in line with the reformed model of capitalism that will follow increases. A long and uncertain period of reconfiguration of capitalism is opened, and capitalism is being transformed by the finance and design of a legitimate and credible governance, whose quality and efficiency is important for sustainable development not only for each company, but for the whole economy.

Recreating new forms of governance and capitalism claim new ways of thinking, the disembarrassment from the existent doctrinaire blockage, the rethinking of the theoretical framework which imposed harmful visions and ideologies, which represented real obstacles in the way of economic performance and prosperity. A new governance implies a new great transformation to allow not only the reconfiguration of exit strategies from the crisis, but also the identification of new directions of economic and social development.

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