

# Contents

List of Figures	<i>page</i> ix
Acknowledgments	xi

## PART I SHAREHOLDER ORIENTATION IN THE COMMON-LAW WORLD

1	Introduction and Overview . . . . .	3
2	Comparative Theory and Corporate Governance . . . . .	13
	A. Functionalism and Contextualism	14
	B. Failing Better	18
3	The Corporate Governance Role of Shareholders in Common-Law Jurisdictions . . . . .	28
	A. The U.K. Model: Strong Shareholders	29
	i. Shareholders as Stewards	29
	ii. Enlightened Shareholder Value	34
	iii. Contractualism and U.K. Corporate Governance	35
	B. The U.S. Model: Weak Shareholders	36
	i. Shareholders as Spectators	37
	ii. Ambivalence Regarding Shareholder Interests	42
	iii. Prevailing Theories of U.S. Corporate Governance	53
	C. Predominance of the U.K. Corporate Governance Model	65
	i. Australia	66
	ii. Canada	77
	D. Shareholder Lawsuits and Corporate Governance	97

## PART II A POLITICAL THEORY OF CORPORATE GOVERNANCE IN THE COMMON-LAW WORLD

4	Comparative Theories of Corporate Governance . . . . .	111
	A. Economics	112

B.	Politics	116
i.	“Law Matters”	116
ii.	Social Democracy	119
iii.	Institutions	123
iv.	“Varieties of Capitalism” and Institutional Complementarities	125
v.	Coalitions	130
vi.	Political Parties and Political Salience	134
vii.	Extra-Corporate Stakeholder Protections	138
C.	Toward a Political Theory of Corporate Governance in the Common-Law World	140
5	Shareholders, Stakeholders, and Social Welfare Policy . . . . .	143
A.	The U.K. Model: State-Based Social Welfare Policy	143
B.	The U.S. Model: Employer-Based Social Welfare Policy	166
C.	Predominance of the U.K. Social Welfare Model	176
i.	Australia	176
ii.	Canada	200
D.	Shareholder Orientation, Social Welfare, and Political Equilibrium	214
PART III THE THEORY’S EXPLANATORY DOMAIN		
6	Stability, Change, and the Future of Corporate Governance in the Common-Law World . . . . .	223
A.	Mapping the Explanatory Domain	225
B.	The Evolving Shareholder Base	242
C.	Postcrisis Austerity	250
D.	Postcrisis Coalitions	258
7	Conclusions . . . . .	287
	Index	293