

Index

absolute performance 291 Badie, B. 117 minimization of governance costs and Balzac, Honoré de 80 absolute performance of the Bank of France 231 corporation 292-4 banking sector 177 accountability of corporation to bankruptcy 85 shareowners 163-8 barriers to entry, maintenance of locally political roots 163-5 divergent forms of governance and 298-301 shareowners as entrepreneurs Bastiat, Frédéric 26, 35 accounting, standardization 180 Berle, Adolf 114, 115, 122, 123, 134, accumulation 140, 155, 165, 215, 229, 230, moderation in 42 231-7, 238, 241, 242, 243, 247, primitive 39, 43 248, 249, 256, 258, 268, 272, active shareowners 165-8, 184-96 273, 278, 294, 303, 309 agency theory 2, 3, 150, 226, 229, Berman, J. H. 67 243-7, 258 bilateral meetings 193 agency costs 277-9, 280, 281, 283, Birnbaum, P. 117 293, 301, 305 BMW 253 arbitrage between agency costs board of directors see directors of and transaction costs 293, companies 294-5 Bouygues 253 Akerlof, George 282, 283 bubbles 164, 255, 256, 271, 314, 315, Akerlof's paradox 282 Alchian, A. A. 238, 240 bureaucracy 116, 182 annual general meetings (AGMs) Burnham, James 114 191-2, 312, 315, 317 business history 3 business schools 117, 147 arbitrage, between agency costs and transaction costs 293, 294-5 business secrecy 201 Arcelor 183, 209, 253 Arendt, Hannah 107, 149 capitalist system 39, 47, 228 Areva 253 see also entrepreneurialism Cargill 253 aristocracy 65, 69 Carver, Thomas 230 Arkwright, Richard 78 Ashby's Law 290 Catholicism 21 Atkinson, Edward 105 Champy, J. 146 audits 181 Chandler, A. 100, 113, 115, 230, 267 children, employment of 106 authoritarianism 51 automobile industry 101, 141 Chomsky, Noam 149 Aventis 253 Chrysler 209, 253 Axa 253 clan-based systems 46, 82, 110

324



Index 325

class actions 188 kind of guarantee needed to ensure class system 142 working of market for shares Clegg, S. 182 284 - 6coexistence of two forms of governance markets, risks and role of 198-200 guarantee 281-9 collusion 46 mistrust and optimization of committees, shareholders 193, 196, 205 governance costs 277-81 communication, transparency of models see economic model of information and development of corporate governance; familial financial communication model of corporate governance; 179-82, 192, 196 managerial model of corporate communism 133, 231, 266 governance; public model of competition 44, 47, 56 corporate governance over resources 295-6 ownership and 28 complexity 312-13 private property as origins of right to concentration 101 direct corporation 25-9 confidence 283, 286-9, 304, 314 shaping of 308-11 shareholders' confidence in corporate correction mechanisms, general 164 governance system 289-91 costs consent, governance and 15, 16, 17 agency costs 277-9, 280, 281, 283, 293, 301, 305 Constant, Benjamin 21, 26, 110 contracts of employment 87 arbitrage between agency costs conventions 285 and transaction costs 293, 294-5 convergence minimization of governance costs and alignment of optimal guarantees and absolute performance of the convergence towards corporation 292-4 governance models of reference mistrust and optimization of governance costs 277-81 future convergence hypothesis 255-6 transaction costs 277-9, 280, 281, corporate governance 15, 16, 17, 54, 282, 283, 292, 293, 301 307 - 8counterweight to power to direct birth of corporation as artificial family as 92-4 individual 71-5 public opinion as 206–8, 210, 211, 213 democratization 218, 306, 311, unions as 127-9, 145-8, 153-5 317, 322 Courpasson, D. 182 craft unions 69 distinguishing between property ownership form and corporate credibility 305 governance model 220-1 dynamics of 216-18 Daily, C. 254 Daimler 209, 253 economic performance and 220, 221-2, 226, 274-6 Dalton, D. 254 evolution see evolution of corporate debate, public 51-3, 191-4 Deci, E. L. 254 governance Defoe, Daniel 41 foreseeable changes 316–18 founders of companies see founders Delessert, Benjamin 81 of companies democracy 47-53, 54, 55, 56, 57, 61, 75, 95, 225, 305, 308 as guarantee 276-91 economic rationality of complexity and 312 shareholder and systems of democratization as dialectical synthesis of opposing forces 311–13 guarantee 281-4



326 Index

democracy (cont.) governance models of reference democratization of corporate 296-8 governance 218, 306, 311, arbitrage between agency costs and 317, 322 transaction costs 294-5 equality of individuals 49-50, 56 barriers to entry and maintenance representation and public debate of locally divergent forms of governance 298-301 separation of powers 50-1, 56, 130 competition over resources 295-6 structures of corporate governance economic history 3 tend to become democratized economic interpretation for models of over time 311 governance 301-2 as technique of government economic model of corporate 48-9, 311 governance 226, 227-30, 251-2, Demsetz, H. 238, 240 303 de-privatization 203-4, 220, 221-2 empirical failures 252-9 Deutsche Telekom 263 fine-tuning argument 257–9 Dickens, Charles 80 future convergence hypothesis dilemma of size 234-7 dilution of capital 242, 248, 249, 253, 258 listing on financial markets is not directors of companies 89, 126, necessary condition for 286-7, 312 performance 252-6 independent 194-6, 317 epistemological problems 257-9 financial markets and 241-3, 258 discretionary power and its counterweight in familial internal contradictions 259-69 model of corporate governance efficient market hypothesis 260-6 75 - 91residual claims and role of profit all-powerful founder as entrepreneur maximization 266-9 shareholder opportunism against divergence, barriers to entry and the corporation 262-6, 279-81 maintenance of locally liberalism and 226, 247-50 divergent forms of governance paradox of Berle and Means 230-7, 258, 278, 294 298-301 division of labour 45, 80 dilemma of size 234-7 Downs, A. 166 economic approach to the study of Drucker, Peter 163 corporate governance 233-4 durability of economic projects 90 qualities of the modern dynamics of corporate governance corporation 231-3 216-18 problem of fragmented ownership of property 269-73, 301, economic function of corporate 306, 312 governance as system of property and 238-41, 248, 258 guarantee 291-301 reaction to Berle and Means 237-47 minimization of governance costs and agency theory 243-7 absolute performance of the private property and 238-41 corporation 292-4 role of financial markets 241-3 relative performance and evolution economic performance 228, 304 of corporate governance corporate governance and 220, 294-301 221-2, 226, 274-6 alignment of optimal guarantees corporate governance as guarantee and convergence towards 276-91



Index 327

economic rationality 161-3 economic model see economic model economic rationality of shareholder of corporate governance and systems of guarantee 281-4 familial model see familial model of economic theory 4 corporate governance EDF 253 managerial model see managerial model of corporate governance education 16, 110, 147 efficiency 226, 227, 242, 247 public model see public model of dilemma of size 234 corporate governance efficient market hypothesis 260-6 relative performance and evolution of shareholder opportunism against corporate governance 294-301 alignment of optimal guarantees and the corporation 262–6, 279–81 Eisenhardt, K. 252 convergence towards governance Ellestrand, A. 254 models of reference 296-8 Ellul, Jacques 149 arbitrage between agency costs and transaction costs 294-5 empirical failures, economic model of corporate governance 252-9 barriers to entry and maintenance fine-tuning argument 257-9 of locally divergent forms of future convergence hypothesis 255-6 governance 298-301 listing on financial markets is not competition over resources 295-6 necessary condition for shaping of corporate governance performance 252-6 308-11 employees see labour/workforce without end 316-18 Enron 210, 256, 259, 271 evolutionary theories 4 entrepreneurialism 7, 20, 54, 55, 56, expectations 284 57, 308 experimental economics 261 expertise 201 entrepreneur as modern Leviathan general crisis of 145-51, 182 36 - 8questioning managerial expertise see also individual topics entry barriers, maintenance of locally 146 - 8divergent forms of governance technocracy against individual and 298-301 liberty 148-51 epistemological problems, economic external counterweight: role of family as social institution 85-91 model of corporate governance corporation as family 86-9 257 - 9equality of individuals 49-50, 56, 110 familial governance 89-91 equilibrium 177 extrinsic forms see intrinsic and familial model of corporate extrinsic forms of governance governance as politically fragile equilibrium 92-8 familial model of corporate governance 8, 62, 64, 171, 294, 309 entirely private model of birth of corporation as artificial governance 92-4 inevitable transformation 95-8 individual 71-5 latent forces of contradiction demise 100-15 exogenous factors 100-3 threats to managerial model of fragmentation of the family corporate governance 132-5 109 - 12ERISA 139, 159, 191 liberalism challenged in public Eurotunnel 209 sphere 103-5 evolution of corporate governance market size and its consequences 61-3,225for the corporation 100-3



328 Index

familial model of corporate governance legitimacy 19-20, 54, 76, 81 shareholders and 77-9 questioning exclusively private who would inherit mantle of nature of corporation 105-9 entrepreneur? 112-15 who would inherit mantle of fragmentation entrepreneur? 112-15 family 109-12 discretionary power and its fragmentation of shareholding body counterweight 75-91 and consequences for all-powerful founder as opportunism 279-81 entrepreneur 76-82 ownership of property 269-73, 301, external counterweight: role of 306, 312, 315, 318–20 family as social institution society see social fragmentation 85 - 91France 31, 68 political invention of modern automobile industry 101, 141 family as private community corporations in 74, 77 democracy in 75 great legal revolution 67-70 directors of companies 126, 286 education in 110 new hierarchy based on property 70 - 1financial system 139 politically fragile equilibrium 92-8 industrial disputes 132 institution of family in 84 entirely private model of governance 92-4 institutional investment in 143 inevitable transformation 95-8 pensions in 159 latent forces of contradiction 94-5 philanthropy in 81 traditional conceptions of property privatization in 189 savings 144 feudal system 66 service sector in 152 financial markets shareholders in 124, 141, 178 economic model of corporate employee shareowners 189 governance and 241-3, 258 rights organizations 188 listing on financial markets is not voting by 191 necessary condition for state ownership in 177 performance 252-6 trade unions in 128, 151, 152 efficient market hypothesis 260–6 urban development 101 shareholder opportunism against work councils in 130 the corporation 262-6, 279-81 fraud, information 289 as Leviathan 313-16 freedom see liberty financing of companies 77-9, 137-45 Frentrop, P. 127 transparency of information and future convergence hypothesis 255-6 development of financial communication 179-82, 192, 196 Galbraith, John Kenneth 149 Ford, Henry 116, 141 **GDF 209** Ford Motors 101, 141 gender, institution of family and 84, 86 Fordism 132, 151, 152 General Electric 271 foreign exchange markets 264 General Motors 118 foremen 88 Gerando, Joseph-Marie de 81 Foucault, Michel 17, 48, 69, 88, 117 Germany 31 banking sector in 177 founders of companies 19-20, 54, 70-1, 74, 76–82, 111, 264, 309 birth of corporation as artificial individual 74 governing private community 79–82



Index 329

corporate governance code 195 kind of guarantee needed to ensure democracy in 75 working of market for shares directors of companies 286 education in 110 markets, risks and role of guarantee familial model in 88 281 - 9financial system 139, 140 mistrust and optimization of industrial disputes 132 governance costs 277-81 institutional investment in 143 shareholders' confidence in corporate shareholders in 78, 141, 178 governance system 289-91 employee shareowners 189 guilds 69, 72 rights organizations 188 voting by 192 Habermas, Jürgen 149 supervisory boards 105 Hammer, M. 146 technocracy in 114 Hayek, F. A. 249 trade unions in 128, 131, 151 hedge funds 263 work councils in 130-2 Hegel, Georg 83 Gilbert, John 121 Hewlett-Packard (HP) 209 Gilbert, Lewis 121 history 3-4 GlaxoSmithKline 209 Hobbes, Thomas 22, 23, 24, 38, 45, 47, globalization 4, 137-45, 146 67, 177, 272, 273, 304 hubris 42, 43 corporate governance 320-2 global corporation increasingly human capital 318-20 de-privatized 203-4 humanism 21 trade unions and 152, 153 Hume, David 15, 22, 49, 285 Godin, François 87 Gomez-Meija, L. 254 Illich, Piotr 149 governance 15, 16 imperfect information 262 consent and 15, 16, 17 incentive mechanisms 246, 254 corporate see corporate governance independence 91 democratic see democracy drive for independence in composition Hobbes vs Locke 23-5 of corporate board 194-6, 317 Graves, S. B. 192 indirect control theory 243 Great Depression 230 individualism 21-3, 24, 26, 67 Grossman, S. J. 261 birth of corporation as artificial guarantees 276-91 individual 71-5 alignment of optimal guarantees and equality of individuals 49-50, 56 convergence towards place of individual under public governance models of reference governance 320-2 296 - 8see also social fragmentation economic function of corporate industrial disputes 104, 132, 152 governance as system of inequalities 32 guarantee 291-301 information minimization of governance costs fraud 289 and absolute performance of the imperfect 262 corporation 292-4 information omnipresent 201-3 relative performance and evolution information theory 290 of corporate governance transparency of information and 294-301 development of financial economic rationality of shareholder communication 179-82, and systems of guarantee 281-4 192, 196



330 Index

inheritance 43, 94, 95, 110 investors taxation 110 confusion between functions of investors and shareowners institutions 17, 44, 235, 289 institutionalism 236, 303 investment by 143, 163 evolution of institutions supporting opinion leaders among investor as entrepreneur 176-84 shareholders 185-91 investment for everybody 208 neo-institutionalism 34 invisible hand 159-63 role of family as social institution economic rationality 161-3 85-91 political roots 159-61 corporation as family 86-9 parallels and overlaps between familial governance 89–91 investor as entrepreneur and intermediation 143, 144, 178 shareowner as entrepreneur International Accounting Standards 196 - 8Board 180 two forms of governance coexist International Financial Accounting 198-200 Standards 180 intrapreneurship 147 Japan, financial system 139, 140 intrinsic and extrinsic forms of Jensen, M. C. 240, 244, 258, 268, 269 governance 175-200 Johnson, J. 254 evolution of institutions supporting joint stock companies 119-24 justice, social 227 investor as entrepreneur 176-84 increase in number of investors and justification of difference of employees improvement in their protection and entrepreneurs 29-30, 32 177 - 9management increasingly Kant, Immanuel 321 subordinated to investors 182-4 Katz, J. 254 transparency of information and Keynes, John Maynard 237, 239, 284, 285, 287, 289 development of financial communication 179-82, 192, 196 Kindleberger, Charles 261 evolution of institutions supporting kinship networks 91 Kirzner, I. 37, 57 shareowner as entrepreneur 184-96 Knight, Frank 283 drive for independence in knowledge composition of corporate board legitimacy of 115-19 194-6, 317 transparency of information and emergence of opinion leaders development of financial among shareholders 185-91 communication 179-82, intensification of debate between 192, 196 shareowners and corporations Kodak 317 191-4 Koestner, R. 254 parallels and overlaps between Krupp 78, 102 investor as entrepreneur and shareowner as entrepreneur labour/workforce 29 196-200 division of labour 45, 80 opposing forms of governance 196-8 employee shareowners 188-90 two forms of governance coexist familial model of corporate 198-200 governance and 86-9 Investor Responsibility Research Centre human capital 318-20 (IRRC) 192 property and 27, 28



Index 331

quantity of 29 restrictions on 106 shortages 80 Lafarge 317 Landes, D. 109 legitimacy 45, 54, 112, 216 entrepreneurialism 20, 90 founders of companies 19–20, 54, 76, 81 knowledge 115–19 management 137 power 5 liberal political philosophy 5, 7, 8, 17, 43, 61, 68, 69, 92, 94, 177, 197, 227, 303 dilemma of liberty in foundational texts 21–5 governance of the modern individual 21–3 Hobbes vs Locke 23–5 economic model of corporate governance and 226, 247–50 entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter Leviathan 44–6 Mars 253	quality of 30	Hobbes vs Locke 23–5
shortages 80 Lafarg 317 Landes, D. 109 legitimacy 45, 54, 112, 216 entrepreneurialism 20, 90 founders of companies 19–20, 54, 76, 81 knowledge 115–19 management 137 power 5 liberal political philosophy 5, 7, 8, 17, 43, 61, 68, 69, 92, 94, 177, 197, 227, 303 dilemma of liberty in foundational texts 21–5 governance of the modern individual 21–3 Hobbes vs Locke 23–5 economic model of corporate governance and 226, 247–50 entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 42–4 social fragmentation to counter	quantity of 29	technocracy against individual liberty
Lafarge 317 Landes, D. 109 legitimacy 45, 54, 112, 216 entrepreneurialism 20, 90 founders of companies 19–20, 54, 76, 81 knowledge 115–19 management 137 power 5 liberal political philosophy 5, 7, 8, 17, 43, 61, 68, 69, 92, 94, 177, 197, 227, 303 dilemma of liberty in foundational texts 21–5 governance of the modern individual 21–3 Hobbes vs Locke 23–5 economic model of corporate governance and 226, 247–50 entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter		
Landes, D. 109 legitimacy 45, 54, 112, 216 entrepreneurialism 20, 90 founders of companies 19–20, 54,		
legitimacy 45, 54, 112, 216 entrepreneurialism 20, 90 founders of companies 19–20, 54, 76, 81 knowledge 115–19 management 137 power 5 liberal political philosophy 5, 7, 8, 17, 43, 61, 68, 69, 92, 94, 177, 197, 227, 303 dilemma of liberty in foundational texts 21–5 governance of the modern individual 21–3 Hobbes vs Locke 23–5 economic model of corporate governance and 226, 247–50 entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter		
entrepreneurialism 20, 90 founders of companies 19–20, 54, 76, 81 knowledge 115–19 management 137 power 5 liberal political philosophy 5, 7, 8, 17, 43, 61, 68, 69, 92, 94, 177, 197, 227, 303 dilemma of liberty in foundational texts 21–5 governance of the modern individual 21–3 Hobbes vs Locke 23–5 economic model of corporate governance and 226, 247–50 entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter		
founders of companies 19–20, 54, 76, 81 knowledge 115–19 management 137 power 5 liberal political philosophy 5, 7, 8, 17, 43, 61, 68, 69, 92, 94, 177, 197, 227, 303 dilemma of liberty in foundational texts 21–5 governance of the modern individual 21–3 Hobbes vs Locke 23–5 economic model of corporate governance and 226, 247–50 entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter		67, 227, 272, 273
76, 81 knowledge 115–19 management 137 power 5 liberal political philosophy 5, 7, 8, 17, 43, 61, 68, 69, 92, 94, 177, 197, 227, 303 dilemma of liberty in foundational texts 21–5 governance of the modern individual 21–3 Hobbes vs Locke 23–5 economic model of corporate governance and 226, 247–50 entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter		
knowledge 115–19 management 137 power 5 liberal political philosophy 5, 7, 8, 17,		
management 137 power 5 liberal political philosophy 5, 7, 8, 17, 43, 61, 68, 69, 92, 94, 177, 197, 227, 303 dilemma of liberty in foundational texts 21–5 governance of the modern individual 21–3 Hobbes vs Locke 23–5 economic model of corporate governance and 226, 247–50 entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter		
power 5 liberal political philosophy 5, 7, 8, 17, 43, 61, 68, 69, 92, 94, 177, 197, 227, 303 dilemma of liberty in foundational texts 21–5 governance of the modern individual 21–3 Hobbes vs Locke 23–5 economic model of corporate governance and 226, 247–50 entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter		
liberal political philosophy 5, 7, 8, 17, 43, 61, 68, 69, 92, 94, 177, 197, 227, 303 dilemma of liberty in foundational texts 21–5 governance of the modern individual 21–3 Hobbes vs Locke 23–5 economic model of corporate governance and 226, 247–50 entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter	9	
43, 61, 68, 69, 92, 94, 177, 197, 227, 303 dilemma of liberty in foundational texts 21–5 governance of the modern individual 21–3 Hobbes vs Locke 23–5 economic model of corporate governance and 226, 247–50 entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 22.5 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter		
dilemma of liberty in foundational texts 21–5 governance of the modern individual 21–3 Hobbes vs Locke 23–5 economic model of corporate governance and 226, 247–50 entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 51, 10, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter		
dilemma of liberty in foundational texts 21–5 governance of the modern individual 21–3 Hobbes vs Locke 23–5 economic model of corporate governance and 226, 247–50 entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 5110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter	43, 61, 68, 69, 92, 94, 177, 197,	general crisis of expertise 145–51,
corporation 137–45 governance of the modern individual 21–3 Hobbes vs Locke 23–5 economic model of corporate governance and 226, 247–50 entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter	227, 303	
increased distance between shareholders and corporation 143–5 economic model of corporate governance and 226, 247–50 entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter increased distance between shareholders and corporation 143–5 technocracy against individual liberty 148–51 equilibrium and threats to 132–5 expertise 145–51, 182, 201 role of shareholders under postfamilial governance 119–24 technocracy against individual liberty 148–51 equilibrium and threats to 132–5 expertise 145–51, 182, 201 role of shareholders under postfamilial governance 119–24 technocracy 114, 115–19, 124, 134, 153 social control of 124–32 Mannesmann 209 Marcuse, Herbert 149 market for lemons 282 markets 41, 44, 160, 164, 166, 177 correction mechanisms 164 financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 corporate governance as factor of confidence 286–9 economic rationality of shareholders and corporation 143–5 technocracy against individual liberty 148–51 equilibrium and threats to 132–5 expertise 145–51, 182, 201 role of shareholders under postfamilial governance 119–24 technocracy 114, 115–19, 124, 134, 153 social control of 124–32 markets 41, 44, 160, 164, 166, 177 correction mechanisms 164 financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 corporate governance as factor of confidence 286–9 economic moderon postfamilial governance 119–24 technocracy 114, 115–19, 124 man	dilemma of liberty in foundational	globalization and new financing of
individual 21–3 Hobbes vs Locke 23–5 economic model of corporate governance and 226, 247–50 entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter		corporation 137–45
Hobbes vs Locke 23–5 economic model of corporate governance and 226, 247–50 entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contrat the freedom to become an entrepreneur 42–4 social fragmentation to counter 143–5 technocracy against individual liberty 148–51 equilibrium and threats to 132–5 expertise 145–51, 182, 201 role of shareholders under post-familial governance 119–24 technocracy 114, 115–19, 124, 134, 153 social control of 124–32 Mandeville, Bernard 34 Mann, Thomas 109 Marcuse, Herbert 149 market for lemons 282 markets 41, 44, 160, 164, 166, 177 correction mechanisms 164 financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 corporate governance as factor of confidence 286–9 economic rationality of shareholders under post-familial governance 119–24 technocracy 114, 115–19, 124, 134, 153 social control of 124–32 Mannesmann 209 Marcuse, Herbert 149 market for lemons 282 markets 41, 44, 160, 164, 166, 177 correction mechanisms 164 financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 corporate governance as factor of confidence 286–9 economic rationality of shareholders under post-familial governance 119–24 technocracy 114, 115–19, 124, 134, 153 social control of 124–32 Mannesman 209 Marcuse, Herbert 149 market for lemons 282 markets 41, 44, 160, 164, 166, 177 correction mechanisms 164 financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 corporate governance as factor of confidence 286–9 e	governance of the modern	increased distance between
technocracy against individual liberty 148–51 equilibrium and threats to 132–5 expertise 145–51, 182, 201 role of shareholders under postfamilial governance 119–24 technocracy 114, 115–19, 124, 134, 153 social control of 124–32 Mandeville, Bernard 34 Mann, Thomas 109 Mannesmann 209 Marcuse, Herbert 149 market for lemons 282 markets 41, 44, 160, 164, 166, 177 correction mechanisms 164 financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 corporate governance an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter	individual 21–3	shareholders and corporation
governance and 226, 247–50 entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter		143–5
entrepreneur as modern Leviathan 36–8 liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter	economic model of corporate	technocracy against individual
liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter expertise 145–51, 182, 201 role of shareholders under post-familial governance 119–24 technocracy 114, 115–19, 124, 134, 153 social control of 124–32 Mandeville, Bernard 34 Mann, Thomas 109 Mannesman 209 Marcuse, Herbert 149 market for lemons 282 markets 41, 44, 160, 164, 166, 177 correction mechanisms 164 financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 corporate governance as factor of confidence 286–9 economic rationality of shareholders under post-familial governance 119–24 technocracy 114, 115–19, 124, 134, 153 social control of 124–32 Mandeville, Bernard 34 Mann, Thomas 109 markets 41, 44, 160, 164, 166, 177 correction mechanisms 164 financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 economic rationality of shareholders under post-familial governance 119–24 technocracy 114, 115–19, 124, 134, 153 social control of 124–32 Mandeville, Bernard 34 Mann, Thomas 109 market for lemons 282 markets 41, 44, 160, 164, 166, 177 correction mechanisms 164 financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 economic rationality of shareholders under post-familial governance 119–24 technocracy 114, 115–19, 124, 134, 153 social control of 124–32 Mandeville, Bernard 34 Mann, Thomas 109 market for lemons 282 markets 41, 44, 160, 164, 166, 177 correction mechanisms 164 financial see financial markets as Levia	governance and 226, 247-50	
liberalism challenged in public sphere 103–5 modern liberalism 40 neo-liberalism 1, 2, 149, 150, 160, 255 new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter	entrepreneur as modern Leviathan	equilibrium and threats to 132-5
modern liberalism 40 neo-liberalism 1, 2, 149, 150,	36-8	expertise 145–51, 182, 201
modern liberalism 40 neo-liberalism 1, 2, 149, 150,	liberalism challenged in public sphere	role of shareholders under post-
neo-liberalism 1, 2, 149, 150,	103–5	
new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter social control of 124–32 Mandeville, Bernard 34 Mann, Thomas 109 Marcuse, Herbert 149 market for lemons 282 markets 41, 44, 160, 164, 166, 177 correction mechanisms 164 financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 corporate governance as factor of confidence 286–9 economic rationality of shareholder and systems of guarantee 281–4 kind of guarantee needed to ensure working of market for shares 284–6		technocracy 114, 115-19, 124,
new hierarchy based on property 70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter Mandeville, Bernard 34 Mann, Thomas 109 Marcuse, Herbert 149 market for lemons 282 markets 41, 44, 160, 164, 166, 177 correction mechanisms 164 financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 corporate governance as factor of confidence 286–9 economic rationality of shareholder and systems of guarantee 281–4 kind of guarantee needed to ensure working of market for shares 284–6		134, 153
70–1 political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter Mann, Thomas 109 Marcuse, Herbert 149 market for lemons 282 markets 41, 44, 160, 164, 166, 177 correction mechanisms 164 financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 corporate governance as factor of confidence 286–9 economic rationality of shareholder and systems of guarantee 281–4 kind of guarantee needed to ensure working of market for shares 284–6		
political invention of modern family as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter Mannesmann 209 Marcuse, Herbert 149 market for lemons 282 markets 41, 44, 160, 164, 166, 177 correction mechanisms 164 financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 corporate governance as factor of confidence 286–9 economic rationality of shareholder and systems of guarantee 281–4 kind of guarantee needed to ensure working of market for shares 284–6	new hierarchy based on property	Mandeville, Bernard 34
as private community 82–5 public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter Marcuse, Herbert 149 market for lemons 282 markets 41, 44, 160, 164, 166, 177 correction mechanisms 164 financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 corporate governance as factor of confidence 286–9 economic rationality of shareholder and systems of guarantee 281–4 kind of guarantee needed to ensure working of market for shares 284–6	70–1	Mann, Thomas 109
public model of corporate governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter market for lemons 282 markets 41, 44, 160, 164, 166, 177 correction mechanisms 164 financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 corporate governance as factor of confidence 286–9 economic rationality of shareholder and systems of guarantee 281–4 kind of guarantee needed to ensure working of market for shares 284–6	political invention of modern family	Mannesmann 209
governance in context of liberal society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter markets 41, 44, 160, 164, 166, 177 correction mechanisms 164 financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 corporate governance as factor of confidence 286–9 economic rationality of shareholder and systems of guarantee 281–4 kind of guarantee needed to ensure working of market for shares 284–6	as private community 82-5	Marcuse, Herbert 149
society 212–14 role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter correction mechanisms 164 financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 corporate governance as factor of confidence 286–9 economic rationality of shareholder and systems of guarantee 281–4 kind of guarantee needed to ensure working of market for shares 284–6	public model of corporate	market for lemons 282
role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 corporate governance as factor of confidence 286–9 economic rationality of shareholder and systems of guarantee 281–4 kind of guarantee needed to ensure working of market for shares 284–6		markets 41, 44, 160, 164, 166, 177
role of entrepreneur in liberal logic 25–35 exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter financial see financial markets as Leviathan 313–16 markets, risks and role of guarantee 281–9 corporate governance as factor of confidence 286–9 economic rationality of shareholder and systems of guarantee 281–4 kind of guarantee needed to ensure working of market for shares 284–6	society 212-14	correction mechanisms 164
exemplary figure of the entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter markets, risks and role of guarantee 281–9 corporate governance as factor of confidence 286–9 economic rationality of shareholder and systems of guarantee 281–4 kind of guarantee needed to ensure working of market for shares 284–6	role of entrepreneur in liberal logic	financial see financial markets
entrepreneur 29–33 private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter 281–9 corporate governance as factor of confidence 286–9 economic rationality of shareholder and systems of guarantee 281–4 kind of guarantee needed to ensure working of market for shares 284–6	25–35	as Leviathan 313-16
private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter corporate governance as factor of confidence 286–9 economic rationality of shareholder and systems of guarantee 281–4 kind of guarantee needed to ensure working of market for shares 284–6	exemplary figure of the	markets, risks and role of guarantee
private vice, public virtue 33–5 liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter corporate governance as factor of confidence 286–9 economic rationality of shareholder and systems of guarantee 281–4 kind of guarantee needed to ensure working of market for shares 284–6	entrepreneur 29–33	281–9
liberty 21–2, 45, 55, 110, 225 freedom to become an entrepreneur 40–7 confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter confidence 286–9 economic rationality of shareholder and systems of guarantee 281–4 kind of guarantee needed to ensure working of market for shares 284–6	private vice, public virtue 33–5	corporate governance as factor of
40–7 shareholder and systems of guarantee 281–4 kind of guarantee needed to ensure become an entrepreneur 42–4 social fragmentation to counter shareholder and systems of guarantee 281–4 kind of guarantee needed to ensure working of market for shares 284–6	liberty 21–2, 45, 55, 110, 225	
confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter guarantee 281–4 kind of guarantee needed to ensure working of market for shares 284–6	freedom to become an entrepreneur	economic rationality of
confrontation of liberties 46–7 entrepreneur contra the freedom to become an entrepreneur 42–4 social fragmentation to counter guarantee 281–4 kind of guarantee needed to ensure working of market for shares 284–6	40–7	shareholder and systems of
become an entrepreneur 42–4 working of market for shares social fragmentation to counter 284–6	confrontation of liberties 46–7	
become an entrepreneur 42–4 working of market for shares social fragmentation to counter 284–6		
social fragmentation to counter 284–6		working of market for shares
		Mars 253



332 Index

Marshall, Alfred 28, 32	Owen, Robert 81
Marx, Karl 26, 39, 41, 43, 84, 104,	ownership 156, 169, 232, 233
228, 319	family 93, 97
Maxwell, Robert 210	problem of fragmented ownership of
Means, Gardiner 114, 115, 122, 123,	property 269–73, 301, 306, 312
134, 140, 155, 165, 215, 229,	see also property
230, 231–7, 238, 241, 242, 243,	
247, 248, 249, 256, 258, 268,	partition of property rights 65-7, 70,
272, 273, 278, 294, 303, 309	72, 95, 96, 110, 130, 157, 170,
media, corporate governance becomes	248, 251, 261, 263–5, 269, 270,
favourite subject of media	272, 275, 276, 308–10, 315,
208–10	317, 318
mercantilism 67	partnerships 119
meta-analysis 253	Pateman, C. 84
Michelin 210	paternalism 87, 98, 129
Michels, Roberto 153	Payne, P. L. 88, 120
Microsoft 253	Peck, James 121
Mill, John Stuart 285	Penrose, E. 37, 57
Mills, C. Wright 149	pension fund 138, 139, 143, 144, 156,
mistrust and optimization of	158, 159, 163–7, 177, 189, 191
governance costs 277–81	pensions 138, 158, 159, 163, 165,
Mittal 209, 253	166, 191
moderation 42	performance
modern liberalism 40	corporate see absolute performance;
modernism 67, 95	relative performance and
individualism 21–3	evolution of corporate governance
monarchy 48	economic see economic performance
Monks, R. 6, 90, 138, 168, 185	Perrot, M. 83
monopoly 40, 46	personal property 26
Montesquieu, Charles-Louis de	philanthropy 81
Secondat, Baron de 50, 285	Pinchot, G. 147
moral values 90, 93	Polanyi, Karl 108, 155, 230
Myrdal, Gunnar 266	Popper, Karl 258
	Pound, John 167
nationalization 231	power 17, 25
natural selection 169	discretionary power and its
neo-institutionalism 34	counterweight in familial model
neo-liberalism 1, 2, 149, 150, 160, 255	of corporate governance 75–91
Nestlé 209	all-powerful founder as
networks, kinship 91	entrepreneur 76–82
1: 1 46 40 404 450	external counterweight: role of
oligarchy 46, 48, 134, 153	family as social institution 85–91
opinion	legitimacy of 5
opinion leaders among shareowners	moral obligations and 93
185–91	separation of powers 50–1, 56,
public see public opinion	130, 248
opportunism 262–6, 279–81, 282	Prahalad, C. K. 283
optimization of governance costs,	prevention of entrepreneurialism by
mistrust and 277–81	existing entrepreneurs 40, 46
O'Sullivan, Mary 283	primitive accumulation 39, 43



Index 333

privatization 141, 189 evolution of institutions Procter & Gamble 263 supporting investor as profits 123, 124, 227, 233, 240, 245, entrepreneur 176-84 266-9, 278, 287 evolution of institutions progress 227 supporting shareowner as property 5, 25, 34, 67, 92, 112, 170 entrepreneur 184-96 active shareowners and 167 parallels and overlaps between agency theory and 244 investor as entrepreneur and birth of corporation as artificial shareowner as entrepreneur individual 71-5 196-200 invisible hand of the investor 159-63 challenge of human capital 318–20 economic rationality 161-3 distinguishing between property ownership form and corporate political roots 159-61 governance model 220-1 public opinion as counterweight to economic approach 149 entrepreneurial power 206-12 economic model of corporate corporate governance becomes governance and 238-41, favourite subject of media 208-10 248, 258 equality and 49 pedagogy of scandal 210-12 fragmented ownership of property shareowners and 269-73, 301, 306, 312, 315, holding corporation accountable 318 - 20163 - 8great legal revolution 67-70 public opinion 200, 315, 316 impact of existing property on new as counterweight to entrepreneurial property 40 power 206-12 interests of owners 5 functions of corporate governance become favourite subject of nature of property 5 new hierarchy based on property media 208-10 pedagogy of scandal 210-12 private property as origins of right to direct corporation 25-9 Rathenau, Walter 230 residual claims theory 167, 239, rationality 116, 128, 137, 283 266-9 economic rationality 161–3 socialism and 96 economic rationality of traditional conceptions 65-6 shareholder and systems of Protestant Reformation 21 guarantee 281-4 public debate 51-3, 191-4 reactionary argument 95-6 reference models 174, 220 public model of corporate governance 8, 62, 155-6, 173-5, 200, 220, alignment of optimal guarantees and 310, 311, 312 convergence towards in context of liberal society 212-14 governance models of reference foundations 201-6 296-8 different interests, representation reforms 316-18 and public debate 204-6 Rehbein, K. 192 global corporation increasingly relative performance and evolution de-privatized 203-4 of corporate governance information omnipresent 201-3 294-301 individual and 320-2 alignment of optimal guarantees and intrinsic and extrinsic forms of convergence towards governance governance 175-200 models of reference 296-8



334 Index

relative performance and evolution confusion between functions of of corporate governance (cont.) investors and shareowners arbitrage between agency costs and 156 - 9transaction costs 294-5 economic model of corporate barriers to entry and maintenance of governance and 238-41 locally divergent forms of as entrepreneurs 165-8 governance 298-301 evolution of institutions supporting competition over resources 295-6 shareowner as entrepreneur Renault 101, 141 184-96 rentiers 92, 109 drive for independence in reputation 289 composition of corporate board residual claims theory 167, 239, 266-9 194–6, 317 emergence of opinion leaders competition over resources 295-6 among shareowners 185-91 intensification of debate between resource-based assessments 3 Ripley, William 230 shareowners and corporations risk 284, 287, 288, 289, 290, 292 Romano, Roberta 166 financial markets and 241 Roosevelt, F.D. 237 fragmentation of shareholding body 279-81 Rousseau, Jean-Jacques 45 Ryan, R. M. 254 increased distance between shareholders and corporation 143-5 Saint Simon movement 83 Sanofi-Synthelabo 253 indirect control theory 243 Sarbanes-Oxley Act 181, 256, 273, 314 managerial model of corporate Say, Jean-Baptiste 25, 28, 30, 31 governance and 119-24 opportunism 262-6, 279-81, 282 scandal 210-12 Schumpeter, Joseph 35, 36, 48, 52, 57, parallels and overlaps between investor 115, 155, 311 as entrepreneur and shareowner as entrepreneur 196-8 secrecy 201 Securities and Exchange Commission providers of funds 77-9 (SEC; USA) 121 public model of corporate selective adaptation 169 governance and 155 self-interest 2, 34, 234, 246 holding corporation accountable separation of powers 50-1, 56, 130, 248 163 - 8residual claims theory 167, 239, service sector 152 shaping of corporate governance 266 - 9308 - 11rights organizations 187-8 share prices 2, 183, 262 towards shareholding body of shareholders 15, 16, 78, 102, 113, 125, unprecedented mass 140-3 134, 203 shareowners 136, 138, 156-9, 163-72, agency theory 2, 3, 150, 226, 229, 173-5, 184-7, 189-94, 196-200, 203-6, 208, 209, 212, 213, 214 243 - 7annual general meetings (AGMs) Shiller, R. J. 263 191-2, 312, 315, 317 slavery 69, 72 associations 317 Sloan, Alfred 118 bilateral meetings 193 Smith, Adam 34, 45, 80, 92, 161, 319 committees 193 social capital 30 social cohesion, liberty and 22 confidence in corporate governance system 289-91 social control 235



Index 335

social fragmentation 7, 58, 97, 108, Thomas Aquinas 21 111, 228, 308, 317 Tocqueville, Alexis de 29, 49, 50, 51, to counter Leviathan 44-6 55, 56, 68, 80, 91, 110, 285, democracy and regulation of 311, 315, 323 fragmented society 47-53 Tosi, H. 254 democracy as technique of trade unions 107, 125, 127-32, government 48-9 133, 137 equality of individuals 49-50, 56 crisis of 151-5 representation and public debate transaction costs 277-9, 280, 281, 282, 283, 292, 293, 301 separation of powers 50–1, 56, 130 arbitrage between agency costs and establishing 49–50 transaction costs 293, 294–5 protecting 50-1 transparency of information and social justice 227 development of financial social responsibility 164, 186-7 communication 179-82, social rules 17 192, 196 social status/hierarchy 16 property and 65, 67-71 uncertainty 283 social structures 15 unemployment 28, 69 unions 100, 116, 125, 127-34, 136, imposition of 23 socialism 96-7, 104, 110, 133, 274 137, 145, 148, 151-4, 156, 166 Sombart, Werner 31, 36 United Kingdom 68, 267 Soss, Wilma 121 corporate governance code sovereignty 169 195, 273 speculation 164, 255, 256, 271, 314, corporations in 74, 77 democracy in 75 315, 316 stakeholders 15, 17, 320 directors of companies 89, 286 stakeholder theory 3 education in 110 standardization of information financial system 139 180, 202 industrial disputes 132 state ownership 177 institutional investment in 143 Stiglitz, J. E. 261 service sector in 152 shareholders in 125, 141 succession 90 Suez 209 employee shareowners 188 supervisory boards 105 rights organizations 188 voting by 191 takeovers 209, 246 trade unions in 128, 151 taxation, inheritance 110 work councils in 130 technocracy 114, 115-19, 124, 134, United States of America 21, 41, 49, 153, 160, 236 68, 71 general crisis of expertise 145-51, 182 class actions 188 questioning managerial expertise convergence hypothesis 255 146-8 corporations in 73-4, 77 democracy in 75 technocracy against individual liberty 148-51 directors of companies 126, 286 social control of 124-32 education in 110 role of social organizations and family-owned businesses 102 unions 127-32 financial system 138, 139, 140 weakness of formal governance industrial concentration 101 industrial disputes 104, 132 regulation 125-7



336 Index

United States of America (cont.) institutional investment in 143 pensions in 138, 159, 163, 166, 191 Sarbanes-Oxley Act 181, 256, 273, 314 Securities and Exchange Commission (SEC) 121 service sector in 152 shareholders in 141, 166, 178 employee shareowners 188 rights organizations 188 social responsibility in 187 trade unions in 128, 151, 152 urban development 101 urban development 101 Useem, M. 127 utility 34

Veblen, Thorstein 26, 114, 115, 230, 233 Vinci 211 Vodafone 209 Volkswagen 210 Waddock, S. 192 Wal-Mart 253 wealth 225, 228 Weber, Max 116 welfare systems 107, 108, 124 paternalist 87 Wendel 102 Werner, S. 254 Westinghouse, George 90, 294 Wharton, Joseph 117 women, employment of 106 work councils 130-2 workforce see labour/workforce working hours 106 Worldcom 210, 256 Wormser, Maurice 230

Zacharias, Antoine 211 Zola, Emile 80