

Cambridge University Press

978-0-521-85638-6 - Entrepreneurs and Democracy: A Political Theory of Corporate Governance

Pierre-Yves Gomez and Harry Korine

Index

[More information](#)*Index*

- absolute performance 291
 - minimization of governance costs and absolute performance of the corporation 292–4
- accountability of corporation to shareowners 163–8
 - political roots 163–5
 - shareowners as entrepreneurs 165–8
- accounting, standardization 180
- accumulation
 - moderation in 42
 - primitive 39, 43
- active shareowners 165–8, 184–96
- agency theory 2, 3, 150, 226, 229, 243–7, 258
 - agency costs 277–9, 280, 281, 283, 293, 301, 305
 - arbitrage between agency costs and transaction costs 293, 294–5
- Akerlof, George 282, 283
- Akerlof's paradox 282
- Alchian, A. A. 238, 240
- annual general meetings (AGMs) 191–2, 312, 315, 317
- arbitrage, between agency costs and transaction costs 293, 294–5
- Arcelor 183, 209, 253
- Arendt, Hannah 107, 149
- Areva 253
- aristocracy 65, 69
- Arkwright, Richard 78
- Ashby's Law 290
- Atkinson, Edward 105
- audits 181
- authoritarianism 51
- automobile industry 101, 141
- Aventis 253
- Axa 253
- Badie, B. 117
- Balzac, Honoré de 80
- Bank of France 231
- banking sector 177
- bankruptcy 85
- barriers to entry, maintenance of locally divergent forms of governance and 298–301
- Bastiat, Frédéric 26, 35
- Berle, Adolf 114, 115, 122, 123, 134, 140, 155, 165, 215, 229, 230, 231–7, 238, 241, 242, 243, 247, 248, 249, 256, 258, 268, 272, 273, 278, 294, 303, 309
- Berman, J. H. 67
- bilateral meetings 193
- Birnbaum, P. 117
- BMW 253
- board of directors *see* directors of companies
- Bouygues 253
- bubbles 164, 255, 256, 271, 314, 315, 316
- bureaucracy 116, 182
- Burnham, James 114
- business history 3
- business schools 117, 147
- business secrecy 201
- capitalist system 39, 47, 228
 - see also* entrepreneurialism
- Cargill 253
- Carver, Thomas 230
- Catholicism 21
- Champy, J. 146
- Chandler, A. 100, 113, 115, 230, 267
- children, employment of 106
- Chomsky, Noam 149
- Chrysler 209, 253
- clan-based systems 46, 82, 110

Cambridge University Press

978-0-521-85638-6 - Entrepreneurs and Democracy: A Political Theory of Corporate Governance

Pierre-Yves Gomez and Harry Korine

Index

[More information](#)*Index*

325

- class actions 188
 - class system 142
 - Clegg, S. 182
 - coexistence of two forms of governance 198–200
 - collusion 46
 - committees, shareholders 193, 196, 205
 - communication, transparency of
 - information and development of financial communication 179–82, 192, 196
 - communism 133, 231, 266
 - competition 44, 47, 56
 - over resources 295–6
 - complexity 312–13
 - concentration 101
 - confidence 283, 286–9, 304, 314
 - shareholders' confidence in corporate governance system 289–91
 - consent, governance and 15, 16, 17
 - Constant, Benjamin 21, 26, 110
 - contracts of employment 87
 - conventions 285
 - convergence
 - alignment of optimal guarantees and convergence towards governance models of reference 296–8
 - future convergence hypothesis 255–6
 - corporate governance 15, 16, 17, 54, 307–8
 - birth of corporation as artificial individual 71–5
 - democratization 218, 306, 311, 317, 322
 - distinguishing between property ownership form and corporate governance model 220–1
 - dynamics of 216–18
 - economic performance and 220, 221–2, 226, 274–6
 - evolution *see* evolution of corporate governance
 - foreseeable changes 316–18
 - founders of companies *see* founders of companies
 - as guarantee 276–91
 - economic rationality of shareholder and systems of guarantee 281–4
 - kind of guarantee needed to ensure working of market for shares 284–6
 - markets, risks and role of guarantee 281–9
 - mistrust and optimization of governance costs 277–81
 - models *see* economic model of corporate governance; familial model of corporate governance; managerial model of corporate governance; public model of corporate governance
 - ownership and 28
 - private property as origins of right to direct corporation 25–9
 - shaping of 308–11
- correction mechanisms, general 164
 - costs
 - agency costs 277–9, 280, 281, 283, 293, 301, 305
 - arbitrage between agency costs and transaction costs 293, 294–5
 - minimization of governance costs and absolute performance of the corporation 292–4
 - mistrust and optimization of governance costs 277–81
 - transaction costs 277–9, 280, 281, 282, 283, 292, 293, 301
 - counterweight to power to direct family as 92–4
 - public opinion as 206–8, 210, 211, 213
 - unions as 127–9, 145–8, 153–5
 - Courpasson, D. 182
 - craft unions 69
 - credibility 305
 - Daily, C. 254
 - Daimler 209, 253
 - Dalton, D. 254
 - debate, public 51–3, 191–4
 - Deci, E. L. 254
 - Defoe, Daniel 41
 - Delessert, Benjamin 81
 - democracy 47–53, 54, 55, 56, 57, 61, 75, 95, 225, 305, 308
 - complexity and 312
 - democratization as dialectical synthesis of opposing forces 311–13

Cambridge University Press

978-0-521-85638-6 - Entrepreneurs and Democracy: A Political Theory of Corporate Governance

Pierre-Yves Gomez and Harry Korine

Index

[More information](#)

326

Index

- democracy (cont.)
 - democratization of corporate governance 218, 306, 311, 317, 322
 - equality of individuals 49–50, 56
 - representation and public debate 51–3
 - separation of powers 50–1, 56, 130
 - structures of corporate governance tend to become democratized over time 311
 - as technique of government 48–9, 311
- Demsetz, H. 238, 240
- de-privatization 203–4, 220, 221–2
- Deutsche Telekom 263
- Dickens, Charles 80
- dilemma of size 234–7
- dilution of capital 242, 248, 249, 253, 258
- directors of companies 89, 126, 286–7, 312
 - independent 194–6, 317
- discretionary power and its counterweight in familial model of corporate governance 75–91
 - all-powerful founder as entrepreneur 76–82
- divergence, barriers to entry and maintenance of locally divergent forms of governance 298–301
- division of labour 45, 80
- Downs, A. 166
- Drucker, Peter 163
- durability of economic projects 90
- dynamics of corporate governance 216–18
- economic function of corporate governance as system of guarantee 291–301
 - minimization of governance costs and absolute performance of the corporation 292–4
 - relative performance and evolution of corporate governance 294–301
 - alignment of optimal guarantees and convergence towards governance models of reference 296–8
- arbitrage between agency costs and transaction costs 294–5
- barriers to entry and maintenance of locally divergent forms of governance 298–301
- competition over resources 295–6
- economic history 3
- economic interpretation for models of governance 301–2
- economic model of corporate governance 226, 227–30, 251–2, 303
- empirical failures 252–9
 - fine-tuning argument 257–9
 - future convergence hypothesis 255–6
 - listing on financial markets is not necessary condition for performance 252–6
- epistemological problems 257–9
- financial markets and 241–3, 258
- internal contradictions 259–69
 - efficient market hypothesis 260–6
 - residual claims and role of profit maximization 266–9
 - shareholder opportunism against the corporation 262–6, 279–81
- liberalism and 226, 247–50
- paradox of Berle and Means 230–7, 258, 278, 294
 - dilemma of size 234–7
 - economic approach to the study of corporate governance 233–4
 - qualities of the modern corporation 231–3
 - problem of fragmented ownership of property 269–73, 301, 306, 312
 - property and 238–41, 248, 258
 - reaction to Berle and Means 237–47
 - agency theory 243–7
 - private property and 238–41
 - role of financial markets 241–3
- economic performance 228, 304
- corporate governance and 220, 221–2, 226, 274–6
 - corporate governance as guarantee 276–91

Cambridge University Press

978-0-521-85638-6 - Entrepreneurs and Democracy: A Political Theory of Corporate Governance

Pierre-Yves Gomez and Harry Korine

Index

[More information](#)*Index*

327

- economic rationality 161–3
 - economic rationality of shareholder and systems of guarantee 281–4
- economic theory 4
- EDF 253
- education 16, 110, 147
- efficiency 226, 227, 242, 247
 - dilemma of size 234
 - efficient market hypothesis 260–6
 - shareholder opportunism against the corporation 262–6, 279–81
- Eisenhardt, K. 252
- Ellestrand, A. 254
- Ellul, Jacques 149
- empirical failures, economic model of corporate governance 252–9
 - fine-tuning argument 257–9
 - future convergence hypothesis 255–6
 - listing on financial markets is not necessary condition for performance 252–6
- employees *see* labour/workforce
- Enron 210, 256, 259, 271
- entrepreneurialism 7, 20, 54, 55, 56, 57, 308
 - entrepreneur as modern Leviathan 36–8
 - see also individual topics*
- entry barriers, maintenance of locally divergent forms of governance and 298–301
- epistemological problems, economic model of corporate governance 257–9
- equality of individuals 49–50, 56, 110
- equilibrium 177
 - familial model of corporate governance as politically fragile equilibrium 92–8
 - entirely private model of governance 92–4
 - inevitable transformation 95–8
 - latent forces of contradiction 94–5
 - threats to managerial model of corporate governance 132–5
- ERISA 139, 159, 191
- Eurotunnel 209
- evolution of corporate governance 61–3, 225
 - economic model *see* economic model of corporate governance
 - familial model *see* familial model of corporate governance
 - managerial model *see* managerial model of corporate governance
 - public model *see* public model of corporate governance
 - relative performance and evolution of corporate governance 294–301
 - alignment of optimal guarantees and convergence towards governance models of reference 296–8
 - arbitrage between agency costs and transaction costs 294–5
 - barriers to entry and maintenance of locally divergent forms of governance 298–301
 - competition over resources 295–6
 - shaping of corporate governance 308–11
 - without end 316–18
 - evolutionary theories 4
 - expectations 284
 - experimental economics 261
 - expertise 201
 - general crisis of 145–51, 182
 - questioning managerial expertise 146–8
 - technocracy against individual liberty 148–51
 - external counterweight: role of family as social institution 85–91
 - corporation as family 86–9
 - familial governance 89–91
 - extrinsic forms *see* intrinsic and extrinsic forms of governance
- familial model of corporate governance 8, 62, 64, 171, 294, 309
 - birth of corporation as artificial individual 71–5
 - demise 100–15
 - exogenous factors 100–3
 - fragmentation of the family 109–12
 - liberalism challenged in public sphere 103–5
 - market size and its consequences for the corporation 100–3

Cambridge University Press

978-0-521-85638-6 - Entrepreneurs and Democracy: A Political Theory of Corporate Governance

Pierre-Yves Gomez and Harry Korine

Index

[More information](#)

328

Index

- familial model of corporate governance (cont.)
 - questioning exclusively private nature of corporation 105–9
 - who would inherit mantle of entrepreneur? 112–15
- discretionary power and its counterweight 75–91
 - all-powerful founder as entrepreneur 76–82
 - external counterweight: role of family as social institution 85–91
 - political invention of modern family as private community 82–5
- great legal revolution 67–70
- new hierarchy based on property 70–1
- politically fragile equilibrium 92–8
 - entirely private model of governance 92–4
 - inevitable transformation 95–8
 - latent forces of contradiction 94–5
- traditional conceptions of property 65–6
- feudal system 66
- financial markets
 - economic model of corporate governance and 241–3, 258
 - listing on financial markets is not necessary condition for performance 252–6
 - efficient market hypothesis 260–6
 - shareholder opportunism against the corporation 262–6, 279–81
 - as Leviathan 313–16
- financing of companies 77–9, 137–45
 - transparency of information and development of financial communication 179–82, 192, 196
- Ford, Henry 116, 141
- Ford Motors 101, 141
- Fordism 132, 151, 152
- foreign exchange markets 264
- foremen 88
- Foucault, Michel 17, 48, 69, 88, 117
- founders of companies 19–20, 54, 70–1, 74, 76–82, 111, 264, 309
 - governing private community 79–82
 - legitimacy 19–20, 54, 76, 81
 - shareholders and 77–9
 - who would inherit mantle of entrepreneur? 112–15
- fragmentation
 - family 109–12
 - fragmentation of shareholding body and consequences for opportunism 279–81
 - ownership of property 269–73, 301, 306, 312, 315, 318–20
 - society *see* social fragmentation
- France 31, 68
 - automobile industry 101, 141
 - corporations in 74, 77
 - democracy in 75
 - directors of companies 126, 286
 - education in 110
 - financial system 139
 - industrial disputes 132
 - institution of family in 84
 - institutional investment in 143
 - pensions in 159
 - philanthropy in 81
 - privatization in 189
 - savings 144
 - service sector in 152
 - shareholders in 124, 141, 178
 - employee shareowners 189
 - rights organizations 188
 - voting by 191
 - state ownership in 177
 - trade unions in 128, 151, 152
 - urban development 101
 - work councils in 130
- fraud, information 289
- freedom *see* liberty
- Frentrop, P. 127
- future convergence hypothesis 255–6
- Galbraith, John Kenneth 149
- GDF 209
- gender, institution of family and 84, 86
- General Electric 271
- General Motors 118
- Gerando, Joseph-Marie de 81
- Germany 31
 - banking sector in 177
 - birth of corporation as artificial individual 74

Cambridge University Press

978-0-521-85638-6 - Entrepreneurs and Democracy: A Political Theory of Corporate Governance

Pierre-Yves Gomez and Harry Korine

Index

[More information](#)*Index*

329

- corporate governance code 195
- democracy in 75
- directors of companies 286
- education in 110
- familial model in 88
- financial system 139, 140
- industrial disputes 132
- institutional investment in 143
- shareholders in 78, 141, 178
 - employee shareowners 189
 - rights organizations 188
 - voting by 192
- supervisory boards 105
- technocracy in 114
- trade unions in 128, 131, 151
- work councils in 130–2
- Gilbert, John 121
- Gilbert, Lewis 121
- GlaxoSmithKline 209
- globalization 4, 137–45, 146
 - corporate governance 320–2
 - global corporation increasingly de-privatized 203–4
 - trade unions and 152, 153
- Godin, François 87
- Gomez-Meija, L. 254
- governance 15, 16
 - consent and 15, 16, 17
 - corporate *see* corporate governance
 - democratic *see* democracy
 - Hobbes vs Locke 23–5
- Graves, S. B. 192
- Great Depression 230
- Grossman, S. J. 261
- guarantees 276–91
 - alignment of optimal guarantees and convergence towards governance models of reference 296–8
 - economic function of corporate governance as system of guarantee 291–301
 - minimization of governance costs and absolute performance of the corporation 292–4
 - relative performance and evolution of corporate governance 294–301
 - economic rationality of shareholder and systems of guarantee 281–4
 - kind of guarantee needed to ensure working of market for shares 284–6
 - markets, risks and role of guarantee 281–9
 - mistrust and optimization of governance costs 277–81
 - shareholders' confidence in corporate governance system 289–91
- guilds 69, 72
- Habermas, Jürgen 149
- Hammer, M. 146
- Hayek, F. A. 249
- hedge funds 263
- Hegel, Georg 83
- Hewlett-Packard (HP) 209
- history 3–4
- Hobbes, Thomas 22, 23, 24, 38, 45, 47, 67, 177, 272, 273, 304
- hubris 42, 43
- human capital 318–20
- humanism 21
- Hume, David 15, 22, 49, 285
- Illich, Piotr 149
- imperfect information 262
- incentive mechanisms 246, 254
- independence 91
 - drive for independence in composition of corporate board 194–6, 317
- indirect control theory 243
- individualism 21–3, 24, 26, 67
 - birth of corporation as artificial individual 71–5
 - equality of individuals 49–50, 56
 - place of individual under public governance 320–2
 - see also* social fragmentation
- industrial disputes 104, 132, 152
- inequalities 32
- information
 - fraud 289
 - imperfect 262
 - information omnipresent 201–3
 - information theory 290
 - transparency of information and development of financial communication 179–82, 192, 196

Cambridge University Press

978-0-521-85638-6 - Entrepreneurs and Democracy: A Political Theory of Corporate Governance

Pierre-Yves Gomez and Harry Korine

Index

[More information](#)

330

Index

- inheritance 43, 94, 95, 110
 - taxation 110
- institutions 17, 44, 235, 289
 - institutionalism 236, 303
 - investment by 143, 163
 - opinion leaders among shareholders 185–91
 - neo-institutionalism 34
 - role of family as social institution 85–91
 - corporation as family 86–9
 - familial governance 89–91
- intermediation 143, 144, 178
- International Accounting Standards Board 180
- International Financial Accounting Standards 180
- intrapreneurship 147
- intrinsic and extrinsic forms of governance 175–200
 - evolution of institutions supporting investor as entrepreneur 176–84
 - increase in number of investors and improvement in their protection 177–9
 - management increasingly subordinated to investors 182–4
 - transparency of information and development of financial communication 179–82, 192, 196
 - evolution of institutions supporting shareowner as entrepreneur 184–96
 - drive for independence in composition of corporate board 194–6, 317
 - emergence of opinion leaders among shareholders 185–91
 - intensification of debate between shareowners and corporations 191–4
 - parallels and overlaps between investor as entrepreneur and shareowner as entrepreneur 196–200
 - opposing forms of governance 196–8
 - two forms of governance coexist 198–200
- Investor Responsibility Research Centre (IRRC) 192
- investors
 - confusion between functions of investors and shareowners 156–9
 - evolution of institutions supporting investor as entrepreneur 176–84
 - investment for everybody 208
 - invisible hand 159–63
 - economic rationality 161–3
 - political roots 159–61
 - parallels and overlaps between investor as entrepreneur and shareowner as entrepreneur 196–8
 - two forms of governance coexist 198–200
- Japan, financial system 139, 140
- Jensen, M. C. 240, 244, 258, 268, 269
- Johnson, J. 254
- joint stock companies 119–24
- justice, social 227
- justification of difference of employees and entrepreneurs 29–30, 32
- Kant, Immanuel 321
- Katz, J. 254
- Keynes, John Maynard 237, 239, 284, 285, 287, 289
- Kindleberger, Charles 261
- kinship networks 91
- Kirzner, I. 37, 57
- Knight, Frank 283
- knowledge
 - legitimacy of 115–19
 - transparency of information and development of financial communication 179–82, 192, 196
- Kodak 317
- Koestner, R. 254
- Krupp 78, 102
- labour/workforce 29
 - division of labour 45, 80
 - employee shareowners 188–90
 - familial model of corporate governance and 86–9
 - human capital 318–20
 - property and 27, 28

Cambridge University Press

978-0-521-85638-6 - Entrepreneurs and Democracy: A Political Theory of Corporate Governance

Pierre-Yves Gomez and Harry Korine

Index

[More information](#)*Index*

331

- quality of 30
- 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 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 Leviathan 44–6
 - Hobbes vs Locke 23–5
 - technocracy against individual liberty 148–51
 - Lippman, Walter 230
 - Lloyd, Henry 105
 - Locke, John 21–5, 27, 30, 36, 42, 49, 67, 227, 272, 273
 - Mackay, C. 261
 - managerial model of corporate governance 2, 8, 62, 99–100, 136, 258, 309, 312
 - attacks on 137–55
 - crisis of the unions 151–5
 - general crisis of expertise 145–51, 182
 - globalization and new financing of corporation 137–45
 - 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 post-familial 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 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
- Mars 253

Cambridge University Press

978-0-521-85638-6 - Entrepreneurs and Democracy: A Political Theory of Corporate Governance

Pierre-Yves Gomez and Harry Korine

Index

[More information](#)

332

Index

- Marshall, Alfred 28, 32
 Marx, Karl 26, 39, 41, 43, 84, 104, 228, 319
 Maxwell, Robert 210
 Means, Gardiner 114, 115, 122, 123, 134, 140, 155, 165, 215, 229, 230, 231–7, 238, 241, 242, 243, 247, 248, 249, 256, 258, 268, 272, 273, 278, 294, 303, 309
 media, corporate governance becomes favourite subject of media 208–10
 mercantilism 67
 meta-analysis 253
 Michelin 210
 Michels, Roberto 153
 Microsoft 253
 Mill, John Stuart 285
 Mills, C. Wright 149
 mistrust and optimization of governance costs 277–81
 Mittal 209, 253
 moderation 42
 modern liberalism 40
 modernism 67, 95
 individualism 21–3
 monarchy 48
 Monks, R. 6, 90, 138, 168, 185
 monopoly 40, 46
 Montesquieu, Charles-Louis de Secondat, Baron de 50, 285
 moral values 90, 93
 Myrdal, Gunnar 266

 nationalization 231
 natural selection 169
 neo-institutionalism 34
 neo-liberalism 1, 2, 149, 150, 160, 255
 Nestlé 209
 networks, kinship 91

 oligarchy 46, 48, 134, 153
 opinion
 opinion leaders among shareowners 185–91
 public *see* public opinion
 opportunism 262–6, 279–81, 282
 optimization of governance costs, mistrust and 277–81
 O’Sullivan, Mary 283

 Owen, Robert 81
 ownership 156, 169, 232, 233
 family 93, 97
 problem of fragmented ownership of property 269–73, 301, 306, 312
 see also property
 partition of property rights 65–7, 70, 72, 95, 96, 110, 130, 157, 170, 248, 251, 261, 263–5, 269, 270, 272, 275, 276, 308–10, 315, 317, 318
 partnerships 119
 Pateman, C. 84
 paternalism 87, 98, 129
 Payne, P. L. 88, 120
 Peck, James 121
 Penrose, E. 37, 57
 pension fund 138, 139, 143, 144, 156, 158, 159, 163–7, 177, 189, 191
 pensions 138, 158, 159, 163, 165, 166, 191
 performance
 corporate *see* absolute performance; relative performance and evolution of corporate governance
 economic *see* economic performance
 Perrot, M. 83
 personal property 26
 philanthropy 81
 Pinchot, G. 147
 Polanyi, Karl 108, 155, 230
 Popper, Karl 258
 Pound, John 167
 power 17, 25
 discretionary power and its counterweight in familial model of corporate governance 75–91
 all-powerful founder as entrepreneur 76–82
 external counterweight: role of family as social institution 85–91
 legitimacy of 5
 moral obligations and 93
 separation of powers 50–1, 56, 130, 248
 Prahalad, C. K. 283
 prevention of entrepreneurialism by existing entrepreneurs 40, 46
 primitive accumulation 39, 43

- privatization 141, 189
- Procter & Gamble 263
- profits 123, 124, 227, 233, 240, 245, 266–9, 278, 287
- progress 227
- property 5, 25, 34, 67, 92, 112, 170
 - active shareowners and 167
 - agency theory and 244
 - birth of corporation as artificial individual 71–5
 - challenge of human capital 318–20
 - distinguishing between property ownership form and corporate governance model 220–1
 - economic approach 149
 - economic model of corporate governance and 238–41, 248, 258
 - equality and 49
 - fragmented ownership of property 269–73, 301, 306, 312, 315, 318–20
 - great legal revolution 67–70
 - impact of existing property on new property 40
 - interests of owners 5
 - nature of property 5
 - new hierarchy based on property 70–1
 - private property as origins of right to direct corporation 25–9
 - residual claims theory 167, 239, 266–9
 - socialism and 96
 - traditional conceptions 65–6
- Protestant Reformation 21
- public debate 51–3, 191–4
- public model of corporate governance 8, 62, 155–6, 173–5, 200, 220, 310, 311, 312
 - in context of liberal society 212–14
 - foundations 201–6
 - different interests, representation and public debate 204–6
 - global corporation increasingly de-privatized 203–4
 - information omnipresent 201–3
 - individual and 320–2
 - intrinsic and extrinsic forms of governance 175–200
 - evolution of institutions
 - supporting investor as entrepreneur 176–84
 - evolution of institutions
 - supporting shareowner as entrepreneur 184–96
 - parallels and overlaps between investor as entrepreneur and shareowner as entrepreneur 196–200
 - invisible hand of the investor 159–63
 - economic rationality 161–3
 - political roots 159–61
 - public opinion as counterweight to entrepreneurial power 206–12
 - corporate governance becomes favourite subject of media 208–10
 - pedagogy of scandal 210–12
 - shareowners and
 - holding corporation accountable 163–8
 - public opinion 200, 315, 316
 - as counterweight to entrepreneurial power 206–12
 - functions of corporate governance become favourite subject of media 208–10
 - pedagogy of scandal 210–12
- Rathenau, Walter 230
- rationality 116, 128, 137, 283
 - economic rationality 161–3
 - economic rationality of shareholder and systems of guarantee 281–4
- reactionary argument 95–6
- reference models 174, 220
 - alignment of optimal guarantees and convergence towards governance models of reference 296–8
- reforms 316–18
- Rehbein, K. 192
- relative performance and evolution of corporate governance 294–301
 - alignment of optimal guarantees and convergence towards governance models of reference 296–8

Cambridge University Press

978-0-521-85638-6 - Entrepreneurs and Democracy: A Political Theory of Corporate Governance

Pierre-Yves Gomez and Harry Korine

Index

[More information](#)

334

Index

- relative performance and evolution
 - of corporate governance (cont.)
 - arbitrage between agency costs and transaction costs 294–5
 - barriers to entry and maintenance of locally divergent forms of governance 298–301
 - competition over resources 295–6
- Renault 101, 141
- rentiers 92, 109
- reputation 289
- residual claims theory 167, 239, 266–9
- resources
 - competition over resources 295–6
 - resource-based assessments 3
- Ripley, William 230
- risk 284, 287, 288, 289, 290, 292
- Romano, Roberta 166
- Roosevelt, F. D. 237
- Rousseau, Jean-Jacques 45
- Ryan, R. M. 254

- Saint Simon movement 83
- Sanofi-Synthelabo 253
- Sarbanes-Oxley Act 181, 256, 273, 314
- Say, Jean-Baptiste 25, 28, 30, 31
- scandal 210–12
- Schumpeter, Joseph 35, 36, 48, 52, 57, 115, 155, 311
- secrecy 201
- Securities and Exchange Commission (SEC; USA) 121
- selective adaptation 169
- self-interest 2, 34, 234, 246
- separation of powers 50–1, 56, 130, 248
- service sector 152
- shaping of corporate governance 308–11
- share prices 2, 183, 262
- shareholders 15, 16, 78, 102, 113, 125, 134, 203
 - agency theory 2, 3, 150, 226, 229, 243–7
 - annual general meetings (AGMs) 191–2, 312, 315, 317
 - associations 317
 - bilateral meetings 193
 - committees 193
 - confidence in corporate governance system 289–91
 - confusion between functions of investors and shareowners 156–9
 - economic model of corporate governance and 238–41
 - as entrepreneurs 165–8
 - evolution of institutions supporting shareowner as entrepreneur 184–96
 - drive for independence in composition of corporate board 194–6, 317
 - emergence of opinion leaders among shareowners 185–91
 - intensification of debate between shareowners and corporations 191–4
 - financial markets and 241
 - fragmentation of shareholding body 279–81
 - increased distance between shareholders and corporation 143–5
 - indirect control theory 243
 - managerial model of corporate governance and 119–24
 - opportunism 262–6, 279–81, 282
 - parallels and overlaps between investor as entrepreneur and shareowner as entrepreneur 196–8
 - providers of funds 77–9
 - public model of corporate governance and 155
 - holding corporation accountable 163–8
 - residual claims theory 167, 239, 266–9
 - rights organizations 187–8
 - towards shareholding body of unprecedented mass 140–3
- shareowners 136, 138, 156–9, 163–72, 173–5, 184–7, 189–94, 196–200, 203–6, 208, 209, 212, 213, 214
- Shiller, R. J. 263
- slavery 69, 72
- Sloan, Alfred 118
- Smith, Adam 34, 45, 80, 92, 161, 319
- social capital 30
- social cohesion, liberty and 22
- social control 235

Cambridge University Press

978-0-521-85638-6 - Entrepreneurs and Democracy: A Political Theory of Corporate Governance

Pierre-Yves Gomez and Harry Korine

Index

[More information](#)*Index*

335

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

Cambridge University Press

978-0-521-85638-6 - Entrepreneurs and Democracy: A Political Theory of Corporate Governance

Pierre-Yves Gomez and Harry Korine

Index

[More information](#)

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