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ILRReview

Volume 65 | Number 3 Article 12

June 2012

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*Public Law and Private Power: Corporate Governance Reform in the Age of Finance Capitalism.* By John W. Cioffi. Ithaca, NY: Cornell University Press, 2010. 304 pp. ISBN: 978-0-8014-4904-8, $39.95 (Cloth).

In this book John Cioffi compares corporate governance reform in the United States and Germany during the 1990s and 2000s. He selects his cases in accordance with the varieties of capitalism theory, which views these countries as the two purest forms of opposite types of capitalism: Each is economically successful in its own right and over a long period of time, yet their respective successes are based on distinct institutional arrangements. In the United States, these arrangements constitute a liberal market economy, in which markets are the dominant form of economic coordination; in Germany, these arrangements constitute a coordinated market economy, in which nonmarket forms of coordination—e.g., networks, relational contracting, codetermination—play a prominent role. Distinct corporate governance institutions are central to each model of capitalism.

The big questions at the heart of Cioffi's book are, How do we explain the type of corporate governance system that emerges in each country? and How do we explain change in those systems? These questions have for some time been a major subject of debate and inquiry among legal scholars, although beginning in the late 1990s they also became questions of major interest to political scientists researching the transformation of capitalist systems under conditions of globalization and increased financialization (that is, the growth of the size and influence of financial actors vis-à-vis the rest of the economy). Thus, it would be a mistake to see his book as a first-rate study of a narrow, technical field: It is indeed that, but it also contributes a great deal to broader debates about the changing character of capitalism more generally in Europe and the United States. As such, it engages a wide variety of debates spanning three or four disciplines.

First, Cioffi engages the debates over the origins and evolution of corporate governance systems per se. This is a debate that in recent years has spilled over from legal circles into the political science and sociology disciplines. Second, he contributes to the so-called varieties of capitalism debate that has captured much of the comparative political economy research field since the mid-1990s. This debate is concerned with categorizing and analyzing distinctive forms of capitalism as to their origins and evolutions. This literature focuses on two central issues: understanding the institutional sources of relative economic advantage for distinct systems of capitalism and examining whether globalization is inducing convergence among capitalisms on a liberal form (in which competitive markets supplant other forms of economic regulation or governance). In more popular terms, the question is whether European and Asian forms of capitalism are converging on the Anglo-American form. Cioffi's book speaks in particular to this second question through its sustained argument that German and American corporate governance systems are evolving in distinct ways. The third major debate to which his work contributes is institutional theory and institutional change. Here he adds to the most recent wave on theories of institutional change (e.g., Paul Pierson, Kathleen Thelen, James Mahoney, et al.) by showing how path dependency is altered in corporate governance systems through the layering of new laws and institutions.

The principal innovation that Cioffi brings to these debates is his conceptual framing of corporate governance as a "nexus of law" in three areas—labor, finance, and corporate law. He blends a public law approach from the legal discipline with the institutional approach from the social sciences by showing how legal doctrines and precedent shape change alongside power and interests. I think this conceptualization is spot on. For a long time corporate governance was a rather esoteric topic relegated mostly to debates among legal scholars and corporate lawyers. But during the 1990s it became an increasingly important topic in large part because efforts around the globe to promote financial markets necessitated—or precipitated—corporate governance reform. For example, as the Europeans began promoting vigorously an equity culture among investors and firms in the 1990s, this cultural shift brought about major changes in corporate governance on such matters as composition and responsibilities of boards of directors, financial disclosure, and accounting practices. In addition, corporate governance reform frequently generated conflicts between labor and management over the rights of the former in corporate decision-making. In essence, the political agenda of promoting financial markets necessitated or precipitated changes across a wide and complex range of institutions and legal areas. While other scholars recognized the interlinkages among what were often seen previously as separate domains, Cioffi's nexus of law

approach provides a new and promising alternative way to analyze systematically these interlinkages. Perhaps more important, his approach shows how the politics of reform in one legal domain are connected to—and constrained by—those in the others.

Cioffi's approach stands opposed to the more prevalent framework of corporate governance as a nexus of contracts. This latter framework conceives of corporate governance as a series of principal-agent problems and was long dominant in legal theories of corporate governance. While it remains prominent, in the last decade more political conceptions of corporate governance have been gaining ground: in legal studies, through the work of people such as Mark Roe, and, in political science, through work such as the book of Peter Gourevitch and James Shinn, *Political Power and Corporate Control* (Princeton, NJ: Princeton University Press, 2007). Cioffi's book shares the concern with political coalitions, which are the focus of the Gourevitch and Shinn book. But Cioffi makes a sustained and very important (and thoroughly convincing) argument that each country is not characterized by relatively stable pro- or anti-reform coalitions, as Gourevitch and Shinn suggest. Instead, he argues that coalitions among the key actors involved in corporate governance reform—management, workers, and owners—shift from issue to issue across the nexus of laws and over (sometimes short) periods of time.

This argument necessitates the kind of careful case study and process tracing analysis that constitutes the empirical contributions of the book. Thus Cioffi's research design of a paired comparison between the United States and Germany—two nations also viewed in most of the literature as opposed ideal-types of corporate governance—is well conceived and justified by his theoretical aims. In this respect, it is also a nice complement to the quasi–large-n approach of the highly regarded Gourevitch and Shinn book. Indeed, I think Cioffi's book should stand alongside it as one of the most important monographs by political scientists on corporate governance. Aside from its theoretical contributions, the book contributes extensive and rich new empirical material to the literature, and the work on the Sarbanes-Oxley reform may be some of the best and most thorough on this topic anywhere.

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*Banded Together: Economic Democratization in the Brass Valley.* By Jeremy Brecher. Champaign, IL: University of Illinois Press, 2011. 280 pp. ISBN 978-0-252-03612-5, $75.00 (Cloth); ISBN 978-0-252-07806-4, $27.00 (Paperback).

The Naugatuck Valley straddles parts of Litchfield, New Haven, and Fairfield counties in western Connecticut. Fairfield County, one of the richest counties in the United States, also contains Bridgeport, a city of 140,000 devastated by factory closures beginning in the 1970s. This is a familiar story to historians, demographers, economists, and sociologists who, sadly, have developed a cottage industry examining the detritus of deindustrialization. Nevertheless, using numerous interviews with community activists and trade unionists, Jeremy Brecher has produced an important book for everyone interested in how factory workers, who have been negatively impacted by plant closings and job loss, and their organizations, churches, and community groups can organize and create alternative economic models to fight this dislocation.

Brecher employs his knowledge of labor history and a great capacity for listening to his interviewees' to tell the story of the Naugatuck Valley Project's (NVP) success in keeping open nearly a dozen industrial plants and eventually starting new employee-owned businesses. In Brecher's words, "This book focuses on three elements essential both for local action and for a democratic vision: grassroots organization, democratically controlled enterprises, and supportive public policies" (p. xxi). Central to the narrative is NVP's role in confronting the effects of desertion by long-time employers, who took their profits and exited blue-collar communities. "Good jobs were replaced, first by no jobs, then by not-so-good jobs" (p. 10). Brecher describes how this process led to the deterioration of community institutions and intergenerational family networks as young people moved away to seek work.