

Soederberg, Susanne. 2010. *Corporate Power and Ownership in Contemporary Capitalism: The Politics of Resistance and Domination*. London: Routledge. ISBN 978-0-415-46788-9. Paperback: 41.95 CAD. Pages: 195.

Reviewed by Stephen McBride  
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This is a welcome addition to the literature on the role of corporate power in contemporary society. The main focus of the book is on the doctrine of “corporate governance” and the role it plays in the neoliberal system of power. The implications of dispersed share ownership, the role of institutional investors like pension funds and various forms of shareholder activism, as examples of “inside” resistance to corporate power, all receive detailed attention.

The idea of corporate governance posits the need for alignment of the interests of company managers with those of their principals (the shareholders or owners of the firm); if this goal is fully realised then the doctrine holds that internal corporate politics could be viewed as democratic. The corporate governance doctrine rests on the premise that that ownership and control of the modern corporation have become separated and need to be realigned. Soederberg’s main objective is: “to question and deconstruct the hegemonic position of corporate governance theory and practice so that its capitalist nature, paradoxes and relations of power may be exposed, scrutinized and, thereby, repoliticized” (4). One element in this project is the observation that even active shareholders, like the pension funds that own major proportions of stocks and shares, seem to have only a modest impact on corporate decisions. Nor are active shareholders much aided by the state, which extends little legal support to their endeavours.

Primarily using the US as her case, Soederberg explores the pattern of pension funds and notes a trend to privatization of pensions, comprising both the expansion of private plans at the expense of state provision and the conversion of defined benefit into defined contribution plans. With the first transfer, corporations acquire “social security capital” to augment their resources in participating in financial markets; with the second, risk is transferred from the corporation to the individual. In this process, the neoliberal state plays a central role in facilitating the transfer of pensions and pension funds into the market arena. Soederberg is especially insightful in her analysis of the ideological rendering of this transfer of risk

to individual citizens. The concept of an “Ownership Society” advanced by, but by no means confined to, the Bush administration, depicts a state pensioner as dependent on government largesse, whereas in the Ownership Society workers control their own retirement savings. On the one side are rights, entitlements and a safety net; on the other, opportunity, choice and freedom. In the context of US political culture, this is a powerful appeal and is apparently undented by the fact that the Ownership Society’s main beneficiaries have proven to be high income families and the Wall Street firms that handle investments.

The discourse of corporate governance took off in the 1980s, but one of its core assumptions, the idea of a separation of ownership from control, has a much older history. The dispersion of share ownership, well beyond the ranks of those who control its day to day management, has long been noted. In its modern form, the thesis that control has become separated from ownership goes back until at least the 1932 book by Berle and Means, *The Modern Corporation and Private Property*. In Chapter 4, Soederberg critically examines the ownership/control issue and the extent to which it has, from its inception, led to manipulative ideological arguments. Its proponents have always declined to engage with critical scholars who rejected of many of the empirical claims made on behalf of the separation of ownership and control. Critics posited that dispersed share-ownership actually concentrated real economic power in the hands of small ownership blocks that were able to gain access to other people’s money without sacrificing overall control (Carroll 2010, 5-7). The convenience of the separation argument for the holders of concentrated wealth is obvious, but the consequences of the theory went far beyond this. It supplied, for instance, a rationalization for social democracy’s post-World War II departure from policies of nationalization of industry. After all, if actual power in corporations rested with a bureaucratic-managerial cadre, with efficiency and social responsibility amongst their motives, rather than a dispersed group of shareholders, why not regulate the former rather than take into public ownership the shares of the latter (Crosland 1956)? Similarly, these concepts could be used to rationalize neo-corporatist arrangements institutionalizing state, business and trade union consultations and, sometimes, decision-making. So it is no surprise to see the concept get another outing in support of the corporate governance doctrine that is Soederberg’s subject. What is more surprising is the lack of theoretical attention that has been paid to the doctrine of corporate governance itself, a neglect that Soederberg’s timely book does much to repair. Among the conclusions that follow from her analysis are the

continued salience of class in understanding corporate power, something that the corporate governance doctrine serves to obscure; and in which even labour-led and other forms of shareholder activism, analysed in the final three chapters of the book, depoliticize resistance because they based on the faulty conceptual framework of corporate governance. Deconstructing this doctrine, as Soederberg does in this volume, in addition to the academic achievement it represents, potentially also provides a valuable service to activists.

### References

Carroll, William K. 2010. *The Making of a Transnational Capitalist Class: Corporate Power in the 21st Century*. London: Zed Books.

Crosland, C.A.R. 1956. *The Future of Socialism*. London: Jonathan Cape.

Lyon, Sarah and Mark Moberg, eds. 2010. *Fair Trade and Social Justice: Global Ethnographies*. New York: New York University Press. ISBN 978-0-8147-9621-4. Paperback: 25.00 USD. Pages: 320.

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Reviewed by Ian Hussey  
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I asked to review this book largely because of its main title. I wanted to know if this edited volume was going to uncritically reproduce the idea of a straightforward relationship between fair trade and social justice. Being familiar with some of the editors' previous research on fair trade, I thought that that was unlikely but one never knows. After reading the book, I'm glad that – pardon the cliché – I didn't judge it by its title or cover. I likely wouldn't have been so skeptical if the book's title included a question mark, but that certainly isn't necessary and turns out to be more of a difference in style than a major disagreement with the contributors' analyses of fair trade. The photograph on the book's cover – a close-up shot of a farmer's hands, worn and dirty, shaped into a cup and holding a bunch of ripe coffee cherries – resembles some of the advertisements for fair trade coffee that many researchers, including some of the book's contributors, have criticized for romanticizing producers and portraying them to largely middleclass "Global North" consumers as "deserving poor" in and through a commodification of difference. I don't know if the cover is