Corporate Power and Ownership in Contemporary Capitalism
The politics of resistance and domination

Susanne Soederberg
‘Soederberg should be thanked for revealing the elephant in the room – that corporations, along with their governance, power, ownership and management, are profoundly political, yet undemocratic. Through careful analysis, wide-ranging research and elegant writing she deconstructs comforting myths and shows us the true and unsettling politics and impacts of corporations in the world today. A must read – and also a good read – for anyone seeking true understanding of current economic, social and environmental upheavals.’

Joel Bakan, Professor of Law, University of British Columbia, Canada, and author/filmmaker of The Corporation

‘In a capitalism deep into its second major crisis in 75 years, Soederberg’s book is very welcome. It critically examines the real (as opposed to the ideologically glossed) mechanisms enabling the crisis-producing decisions of corporate boards of directors. She performs a valuable deconstruction of the mythologies of mainstream “corporate governance” literature.’

Richard D. Wolff, Professor Emeritus of Economics, University of Massachusetts, Amherst and New School University

‘This book presents a much-needed and powerful critique of the “corporate governance doctrine” that was promoted both by the US state and by dominant capitalist interests in many societies to underpin the priority given to “shareholder value”, to take advantage of workers’ pension funds, and to direct labour and social movement challenges to corporate decisions into what Soederberg appropriately calls the “marketization of resistance”. As empirically rich as it is theoretically strong, this is another important contribution by one of the most creative political economy scholars writing today.’

Leo Panitch, Canada Research Chair in Comparative Political Economy and Distinguished Research Professor of Political Science, York University, Toronto
Corporate Power and Ownership in Contemporary Capitalism

Despite the influence corporations wield over all aspects of everyday life, there has been a remarkable absence of critical inquiry into the social constitution of this power. In analysing the complex relationship between corporate power and the widespread phenomenon of share ownership, this book seeks to map and define the nature of resistance and domination in contemporary capitalism.

Drawing on a Marxist-informed framework, this book reconnects the social constitution of corporate power and changing forms of shareholder activism. In contrast to other texts that deal with corporate governance, this study examines a diverse and comprehensive set of themes, from socially responsible investing to labour-led shareholder activism and its limitations. Through this ambitious and critical study, author Susanne Soederberg demonstrates how the corporate governance doctrine represents an inherent feature of neoliberal rule, effectively disembedding and depoliticizing relations of domination and resistance from the wider power and paradoxes of capitalism.

Examining corporate governance and shareholder activism in a number of different contexts that include the United States and the global South, this important book will be of interest to students and scholars of international political economy, international relations and development studies. It will also be of relevance to a wider range of disciplines including finance, economics, and business and management studies.

Susanne Soederberg is a Canada Research Chair in Global Political Economy and an Associate Professor in the Departments of Global Development Studies and Political Studies at Queen’s University, Canada. She is author of The Politics of the New International Financial Architecture: Reimposing Neoliberal Domination in the Global South (2004) and Global Governance in Question: Empire, Class, and the New Common Sense in Managing North–South Relations (2006).
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Corporate Power and Ownership in Contemporary Capitalism
The politics of resistance and domination

Susanne Soederberg
To Sydney and Teivo
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Susanne Soederberg, Kingston, Canada, January 2009
## Abbreviations

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<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>AARP</td>
<td>American Association of Retired Persons</td>
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<td>ABS</td>
<td>asset backed security</td>
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<td>ADR</td>
<td>American depository receipts</td>
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<td>AFL-CIO</td>
<td>American Federation of Labor and Congress of Industrial Organizations</td>
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<td>AFSCME</td>
<td>American Federation of State, County, and Municipal Employees</td>
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<td>AI</td>
<td>Amnesty International</td>
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<td>AIG</td>
<td>American International Group Inc.</td>
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<td>BR</td>
<td>Business Roundtable (US)</td>
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<td>CalPERS</td>
<td>California Public Employee Retirement System</td>
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<td>CBPP</td>
<td>Centre on Budget and Policy Priorities</td>
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<td>CCSR</td>
<td>Corporation Committee on Shareholder Responsibility</td>
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<td>CDOs</td>
<td>collateralized debt obligations</td>
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<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>CII</td>
<td>Council of Institutional Investors</td>
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<td>CIO</td>
<td>Chief Information Officer</td>
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<td>DB plans</td>
<td>defined-benefit pension plans</td>
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<td>DC plans</td>
<td>defined-contribution pension plans</td>
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<td>EMH</td>
<td>efficient market hypothesis</td>
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<td>ERISA</td>
<td>Employee Retirement Income Security Act</td>
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<td>ESG</td>
<td>environmental, social and corporate governance</td>
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<td>ETIs</td>
<td>economically targeted investments</td>
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<td>FDI</td>
<td>foreign direct investment</td>
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<td>HMC</td>
<td>Harvard Management Company</td>
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<td>ICCR</td>
<td>Interfaith Centre for Corporate Responsibility</td>
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<td>IFC</td>
<td>International Finance Corporation</td>
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<td>IFIs</td>
<td>International Financial Institutions</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>IRAs</td>
<td>Individual Retirement Accounts</td>
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<td>IRRC</td>
<td>Investor Responsibility Research Centre</td>
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<td>ISS</td>
<td>Institutional Shareholder Services</td>
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<td>MCA</td>
<td>Millennium Challenge Account</td>
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<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>NIFA</td>
<td>New International Financial Architecture</td>
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<td>NYCERS</td>
<td>New York City Employees’ Retirement System</td>
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<td>NYSE</td>
<td>New York Stock Exchange</td>
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<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
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<td>PBGC</td>
<td>Pension Benefit Guarantee Corporation</td>
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<td>PCAOB</td>
<td>Public Company Accounting Oversight Board</td>
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<td>PCI</td>
<td>Permissible Country Index</td>
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<td>PSLRA</td>
<td>Private Securities Litigation Reform Act</td>
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<td>SAPs</td>
<td>Structural Adjustment Programmes</td>
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<td>SDTF</td>
<td>Sudan Divestment Task Force</td>
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<td>SEC</td>
<td>Securities and Exchange Commission</td>
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<td>SGRs</td>
<td>Second Generation Reforms</td>
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<td>SIF</td>
<td>Social Investment Forum</td>
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<td>SOX</td>
<td>Sarbanes–Oxley Act</td>
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<td>SRI</td>
<td>socially responsible investment</td>
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<td>SSA</td>
<td>Social Security Act</td>
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<tr>
<td>UNPRI</td>
<td>United Nations Principles for Responsible Investment</td>
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<td>US</td>
<td>United States</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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Part I

Introduction