Corporations: Quintessential Institutions of Modern Capitalism by Margaret Blair

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Research has focused on the narrow question of who, as between shareholders and boards of directors, should exercise control over corporations. Not about role of governments.

Why the debate shifted to this narrower question, and what has been lost as a consequence of this shift?
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- This might have given us uncertain jobs in developed economies, but have helped millions come out of poverty in places like China and India.
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- Not sure whether it is possible to pinpoint what behaviour to expect.
- Strong political connections generate other problems: For example, “bad loans”
- Strong community connections make it difficult for “outsiders” to make an entry.
- Problems of promoters in India. Our challenge is how to move away from dominant shareholder to dispersed shareholding.
- What may be good for my community may not be good for my country, and what may be good for my country may not be good for the world.
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Mandating responsibility can be problematic

Corporate boards and managers increasingly make and evaluate proposed strategies based solely on the impact such strategies will have on the value of corporate securities, regardless of the impact their strategies will have on employees, customers, or community or country.

- Two examples of government mandated responsibility: SSI reservation, CSR – not sure what this is giving us.
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- How does society find a way to reward a certain kind of behaviour?
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Thank you