Capitalist Diversity and Change
Colin Crouch

Over the last decade, the neo-institutionalist literature on comparative capitalism has developed into an influential body of work. This book assesses this literature and proposes a major re-orientation of the field. It critiques many aspects of this work and finds a way of modelling how creative actors trying to achieve change — institutional entrepreneurs — tackle these constraints. Central to the account is the concept of governance, as it is by recombining governance mechanisms that these entrepreneurs must achieve their goals. In seeking how to analyse the spaces in which they operate, the book criticises and deconstructs some dominant approaches in socio-political analysis: to typologies, to elective affinity and complementarity, to path dependence. It develops a theory of governance modes, which includes potentially decomposing them into their core components. Finally, it proposes a reorientation of the neo-institutionalist research programme to take more account of detailed diversity and potentiality for change. The book is primarily theoretical, but it makes liberal use of examples, particularly from studies of local economic development and politics.

Introduction
Anna Grandori

This introductory chapter outlines the features of the new approach to CG that can be built by integrating the insights from the different contributions gathered in the book. Further specific theses advanced
in this chapter are that the ‘shareholder view’ and the unabashed recommendation of pay for performance misapply agency and property right theories themselves; that CG design should be grounded in an empirically-based appreciation of preferences and motivation; that the portfolio of governance mechanisms should be enlarged to include organizational mechanisms such as negotiation, social control, and community governance; and that, contrary to common wisdom, an economic and organizational efficiency view of CG should lead to differentiated rather than homogeneous solutions, while institutional isomorphism and legitimacy may lead to inefficient convergence.

Governing with Multiple Principals: An Empirically-Based Analysis of Capital Providers' Preferences and Superior Governance Structures
Anna Grandori and Giuseppe Soda

in Corporate Governance and Firm Organization: Microfoundations and Structural Forms
Published in print: 2004 Published Online: September 2007
DOI: 10.1093/acprof:oso/9780199269761.003.0004

This chapter broadens current agency approaches by exploring the possible consequences of optimizing CG structures with ‘multiple principals’ and multiple governance and organizational mechanisms. It uses an analytical framework and an empirical study conducted in Italy, which gathers empirically the actual preferences of two samples, representative of the providers of financial and human capital, over varying policies on a variety of governance and organizational mechanisms (e.g., low to high pay for performance; low to high teamwork; low to high managerial representation in boards etc.). Preferences are cluster-analyzed and compared with actually implemented policies. Results indicate that actors' preferences converge more than conventionally expected, while they differ sharply from actually implemented policies, thereby indicating opportunities for the Pareto-improvement of CG structures.

Interdependent European Governance
Beate Kohler-Koch

in Linking EU and National Governance
Published in print: 2003 Published Online: April 2004
DOI: 10.1093/0199252262.003.0002
The introductory chapter 2 takes up the concept of sensitivity and vulnerability in international interdependence to analyse the complex relationship between EU and national governance and to look at the normative implications in terms of efficient and democratic governance in the European system. The achieved high level of interconnectedness between political and societal actors at the European, the national and sub-national levels results in a loss of political control by individual member states, provokes a substantive derogation of national parliamentary democracy, and causes severe irritations as regards the established balance between the economic and political spheres. However, the plurality of state and society actors are sensitive and vulnerable to different degrees and in various ways depending on structural compatibilities, power differentials, and policy styles, which shape conflict management and problem-solving strategies. Their responses to demands for adaptation produce differentiated outcomes and, therefore, contribute to the fragmented and heterogeneous structure of the EU. At the same time, a penetrated system of governance evolves that is extraordinary flexible and generates a multiplicity of ‘hard’ and ‘soft’ mechanisms for linking EU and national governance, which smooth the management of multi-level interdependence and assist to overcome democratic derogation.

The Institutions of the Market
Alexander Ebner and Nikolaus Beck (eds)

This book approaches markets as a dynamic ensemble of institutions; and as a set of rules or norms, that contribute to the evolution of social systems of governance, and can be analysed as a structured social system. It tackles such questions as: Where do markets come from and what drives their evolution? How do organizations cope with the competitive dynamism of markets? What is the role of governance mechanisms in the institutional coordination of markets? Using this ‘new institutionalist’ approach, this book examines the institutional foundations of economic change. Drawn from an array of disciplines, including Business, Organization Studies, Economics, and Sociology, the contributors address the organizational capabilities of firms, the social structuration of competition, and the diversity of governance mechanisms in the market.
Superordinate Identity and Knowledge Creation and Transfer in Organizations
Linda Argote and Aimée A. Kane

in Knowledge Governance: Processes and Perspectives

Published in print: 2009 Published Online: January 2009
Publisher: Oxford University Press
DOI: 10.1093/acprof:oso/9780199235926.003.0007

This chapter discusses how a shared superordinate identity increases knowledge creation and transfer in firms. It presents evidence, from both the field and laboratory, that sharing a superordinate identity promotes knowledge creation and transfer. It develops theory about the conditions under which a shared superordinate identity is most valuable. It discusses how to build a strong superordinate identity as well as analyses when a superordinate identity is a complement or substitute to other knowledge governance mechanisms. The chapter concludes with a discussion of future research directions on identity and knowledge governance that are particularly promising.

Recent Facts and Developments in Corporate Governance
Luis Correia Da Silva, Marc Goergen, and Luc Renneboog

in Dividend Policy and Corporate Governance

Published in print: 2004 Published Online: April 2004
Publisher: Oxford University Press
DOI: 10.1093/0199259305.003.0002

Reviews the different systems of corporate governance and corporate control around the world. Legal devices that separate ownership from control are discussed. The main corporate governance mechanisms that may act as an alternative to dividend policy are also examined.

Research Questions
Luis Correia Da Silva, Marc Goergen, and Luc Renneboog

in Dividend Policy and Corporate Governance

Published in print: 2004 Published Online: April 2004
Publisher: Oxford University Press
DOI: 10.1093/0199259305.003.0004

Discusses the research questions that will be addressed in the next chapters. The research questions relate to the link between dividend
levels and corporate control, and dividend flexibility and corporate control.

Failures in Governance and Institution Building
Yung Chul Park

in Economic Liberalization and Integration in East Asia: A Post-Crisis Paradigm
Published in print: 2005 Published Online: February 2006
Item type: chapter

The governance of consultative polities in East Asia lost its place in the process of political and economic liberalization, most notably in managing industrial relations. Democratization ushered in periods of political instability and a new and far more assertive labor movement. The demise of the consultative mechanism unveiled serious coordination problems at the national, industrial, and enterprise levels, and underscored the need for effective bureaucratic and government institutions.

Introduction
Colin Crouch and Helmut Voelzkow

in Changing Governance of Local Economies: Responses of European Local Production Systems
Published in print: 2004 Published Online: February 2006
Item type: chapter

The main aim of this book is to determine the national patterns of local production systems, particularly those involving small- and medium-sized enterprises (SMEs), in France, Germany, Italy, and the UK. This chapter lays down the theoretical foundations for this volume then explains the methodologies used for the selection and analysis of case studies. An overview of the case studies is then presented.

A Survey of the Literature on Dividends and Control
Luis Correia Da Silva, Marc Goergen, and Luc Renneboog

in Dividend Policy and Corporate Governance
Published in print: 2004 Published Online: April 2004
Concentrates on dividend policy as a signalling device and, in particular, as an alternative corporate governance device. We argue that firms with a high concentration of control are less likely to use dividends as a signal of their future prospects. Similarly, firms with a large monitoring shareholder rely less on dividend policy to keep checks on the management. The impact of banks and taxation on dividend policy is also analysed.

Cloud Governance: The Way Forward
Chris Reed

This chapter reviews the overall governance arrangements for cloud computing, with reference to many of the specific issues raised earlier in the book. At the heart of the discussion is the question of how an optimal governance framework for cloud computing might be developed, or at least how its emergence and recognition by the key stakeholders might be facilitated. Both internal and external governance mechanisms are considered and the limits of state regulation are appraised. Questions of legitimacy and practical reach abound. The chapter makes it clear that cloud governance is a work in progress, and that it is likely to remain so for the foreseeable future. The global reach of cloud services, the diversity of interests of cloud participants, and the complexity of their relationships, make it very unlikely that either legislation or self-regulation alone will emerge as a credible and effective governance model. Co-regulation shows greater promise but will not be achieved without a lot of effort and goodwill on the part of the key members of the cloud community, encompassing states, legislators and individuals, as well as the cloud industry itself.

Regulating Contract Law
Hugh Collins

This chapter reviews the overall governance arrangements for cloud computing, with reference to many of the specific issues raised earlier in the book. At the heart of the discussion is the question of how an optimal governance framework for cloud computing might be developed, or at least how its emergence and recognition by the key stakeholders might be facilitated. Both internal and external governance mechanisms are considered and the limits of state regulation are appraised. Questions of legitimacy and practical reach abound. The chapter makes it clear that cloud governance is a work in progress, and that it is likely to remain so for the foreseeable future. The global reach of cloud services, the diversity of interests of cloud participants, and the complexity of their relationships, make it very unlikely that either legislation or self-regulation alone will emerge as a credible and effective governance model. Co-regulation shows greater promise but will not be achieved without a lot of effort and goodwill on the part of the key members of the cloud community, encompassing states, legislators and individuals, as well as the cloud industry itself.
This chapter addresses cursorily some central issues of the regulatory perspective on contract law, and concentrates on novel lines of inquiry. It commences by explicating more fully than before some methodological difficulties. Next, it rehearses in a more systematic way the reasons for believing that the general law of contract should be regarded as a governance mechanism and a part of the state’s regulatory structure. The central claim is that contract law is now being called upon to play a more pivotal role in the governance mechanisms of the post-regulatory state. In that context, the sharp contrast once drawn between the functions of the private market and the functions of public intervention, either through ownership or regulation, no longer appears so convincing.

Improving Urban Water Governance
M. Dinesh Kumar

in Thirsty Cities: How Indian Cities Can Meet their Water Needs
Published in print: 2014 Published Online: November 2014
Publisher: Oxford University Press
Item type: chapter

Water governance refers to the range of political, legal, social, economic, and administrative systems that are in place for effective management of water resources and their service delivery at different levels of society. The chapter discusses four key areas where improvement in governance is most essential. They are: water pricing and charging for wastewater; urban water infrastructure financing; water supply; pro-poor governance; and mechanisms for improving sanitation in urban slums. The chapter shows that there are no standard sets of practices which can make urban water governance effective, as it is about bringing in greater accountability and transparency in the working of urban water utilities, while maintaining their overall performance high. Significant social and political changes in society can create new opportunities for increasing the effectiveness of governance through better communication between civil society and the utility, quick and efficient generation of user database, greater transparency in working and accountability of the utilities.

Introduction
Edward Peter Stringham

in Private Governance: Creating Order in Economic and Social Life
Published in print: 2015 Published Online: August 2015
Economic actors often face the following dilemma: what do you do when external enforcement is lacking or when relying on courts is too costly? This chapter introduces the topic and summarizes the main findings in the existing research. Many economists would predict widespread cheating, but Private Governance makes the case that private parties have incentives to overcome prisoner’s dilemma problems with diverse mechanisms of private governance, including sorting, reputation, assurance, bonding, and various forms of ex ante risk management. Focusing on actual solutions rather than hypothetical solutions allows us to see rather than speculate about how markets can solve problems. Private governance solves problems in simple markets as well as in the most sophisticated markets the world has ever seen.

Latvia
Jānis Ikstens and Ilze Balcere

in Coalition Governance in Central Eastern Europe

Although a profound ethnic cleavage separates the native Latvians and from the Slavic minorities, and institutional thresholds operate to prevent fragmentation of parliamentary politics, Latvia’s voter preferences generate fractured legislatures and a high turnover of parliamentary parties. Coalitions arise from free-style bargaining among a narrow circle of party elites where the head of state (president) plays a rather limited role. Parties are driven by both office-seeking and policy-seeking considerations but control over public resources is notably important to maintain party organizations and fight elections. Notable is also that the Slavic parties are excluded from government coalitions. Regardless of the type of coalition, very similar coalition agreements outline mechanisms for coalition governance, reinforcing the primus inter pares status of the prime minister as defined in the law. Although cabinet duration is rather low, party discipline in the legislature is high and opposition proposals are usually rejected. Technical reasons aside, most cabinets in the twentieth century collapsed due to disagreements over policy while cabinet termination in the twenty-first century is more frequently related to party strategic considerations. Coalitions tend to lose support in elections, but this does not apply equally to all coalition parties.