

BOOK REVIEW

VARIETIES OF CAPITALISM, CORPORATE GOVERNANCE AND EMPLOYEES **BY SHELLEY MARSHALL, RICHARD MITCHELL AND IAN RAMSAY (EDS)** **(MELBOURNE UNIVERSITY PRESS, 2008)**

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This book contains the papers delivered at a workshop held in December 2006 at the University of Melbourne. The workshop formed part of a larger Australian Research Council (ARC)-funded project titled 'Partnerships at Work'. The list of contributors (pp ix-xii) shows that they come from various disciplines and include academics and other researchers.

There are three parts in the book: Part I: Theoretical Approaches; Part II: Empirical Studies; and Part III: Corporate Social Responsibility and Regulatory Approaches. The reader will find that the three editors did an excellent job in summarising all the papers delivered at the workshop (and contained in the book) in a preliminary part to the book (pp 1-13). They performed this task so well that it is hardly necessary to review this book - all the highlights and all the conclusions reached are well-analysed in this part.

It will suffice to make a few general comments only for the purposes of this review. One of the most fundamental issues investigated was the difference between the so-called shareholder-orientated corporate governance model and the power-sharing and co-operation model of corporate governance, where the interests of all stakeholders, but in particular employees, are far more prominent. The United States and United Kingdom are usually

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categorised as belonging to the first model, while Germany, Sweden and Japan follow the second model.

One of the main aims of the research undertaken was to establish where the Australian corporate governance model fits in. The editors point out that most of the chapters in the book draw on the Varieties of Capitalism (VoC). They then conclude as follows:

While Australia might be grouped together with the United States and the United Kingdom, it does not mean that its business systems mirror those in other liberal market economies. The studies in this book show that Australia has retained idiosyncratic features ... [and] ... that there is 'within systems' heterogeneity.¹

This is hardly surprising as the labour law, corporate law and corporate governance models of countries vary. It is pointed out that the theory of 'path dependency' should be recognised and that notice should be taken of the theory of 'convergence of several corporate governance models'. However, in Chapter 7 the editors point out that 'a survey of company directors raise[s] serious doubts about the status of shareholder primacy as a dominant tendency among Australian businesses'.² It is also quite fascinating to note that the survey of Australian company directors also shows that 'the degree of shareholder prioritisation in Australian businesses appears overstated'.³ This is not the place to challenge these findings, but it is reasonably certain that surveys among other stakeholders may reveal different perspectives.

The papers included in the book are all of a high quality and will definitely be of great interest to all researchers interested in corporate law, corporate governance, labour law and various models of capitalism. It is not the type of book that makes easy Sunday-afternoon reading, but that is not to be expected of a book published as part of research undertaken for a large ARC grant. There is definitely scope for further research in the area of employee participation at all levels, from shop-floor level to codetermination. In this regard, in-depth international comparative research and comparisons with the Australian model may reveal additional perspectives.

¹ Shelley Marshall, Richard Mitchell and Ian Ramsey (eds), *Varieties of Capitalism, Corporate Governance and Employees* (2008) 6.

² *Ibid* 9.

³ *Ibid*.

The authors and editors should be commended for compiling a very useful and rich research source that can lead to further in-depth research in several areas.

