

The Regional and global governance context of corporate governance in France

This research project contributes to ‘varieties of capitalism’ scholarship, focusing on the dynamics of corporate governance and company law reform at the national and supra-national levels. This project will explore how European governance mechanisms and structures in the field of corporate governance are affecting national corporate governance regimes, with specific focus on the French case. The analysis of EU-level initiative in this field thus enables assessment of the degree to which supra-national ‘drivers’ of corporate governance reform can be identified. The main aim is to provide a greater understanding of how EU level regulatory systems shape corporate governance.

The Garnet *Corporate Governance and the Global Regulatory Framework* (JERP 5.2.5), has identified a number of key issues which constitute the substantive focus of its work in relation to corporate governance. These include ‘directives and draft directives on the European company statute, on worker representation, on accounting and transparency ... the role of large shareholders, the effect of the market for corporate control’ (Garnet 2005). The project will be concerned with affording due weight affording due weight to national (French) and supra-national and regional (EU) governance structures and processes in accounting for contemporary evolutions and dynamics within the French variety of capitalism. It will also generate new insights into the potentialities for EU actors and institutions in reshaping and reforming corporate governance.

The working hypothesis for this research is that the EU has hitherto demonstrated very limited convergence-inducing regulatory, legislative and judicial capacities in the realm of corporate governance. Set in a broader context, the global convergence thesis misrepresents contemporary evolutions within French and EU corporate governance because it pays insufficient attention to mechanisms of change within varieties of capitalism. Framing analysis in terms of hybridisation and fragmentation of national models, rather than convergence, offers greater explanatory purchase over the French case, constitutes a more accurate characterisation, and helps avoid the ‘convergence or persistence’ impasse within varieties of capitalism analysis when applied to corporate governance. How the process of globalisation really ‘plays out’ is highly uneven, associated variously with both economic convergence and divergence, as different aspects of political economy are integrated differentially into global world economic order. In this light, diversity of responses to globalisation, and the particularities of how it is mediated by ‘domestic’ and supra-national institutions and politics, are all part of the ‘variable geometry’ (Castells 2000) of globalisation.