Jean Monnet 30 Years and European Corporate Governance Studies

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Abstract

This essay has focused on the importance of searching for common solutions for relevant common corporate governance problems in European countries. 30 years ago, the Jean Monnet Action was born, named after one of the EU Pioneers, the first president of the executive body of the European Coal and Steel Community, Jean Monnet (1888 – 1979). The first part of this essay presents a short story about Jean Monnet in the 1950s which seems surprisingly relevant for our corporate governance research in Europe nowadays and describes key features of the Jean Monnet Action in 1989-2009.

The second part briefly discusses three major types of recent EU problems: the real issues, the fake issues and the major risk of no EU, and the role of the Jean Monnet Action to increase European identification.

The third part focuses on the recently established Jean Monnet Network on Corporate Governance and European Union Integration (CGEUI) and the need for presenting systematic evidence about the emerging ownership patterns in European countries following the corporate governance movement in the 1990s and the 2000s.

Finally, the essay discusses a few unsolved problems and challenges of European corporate governance research like the impact of “global special interests” and “the harmful corporate obsession with maximizing shareholder returns at all costs”. In searching for relevant agenda for European corporate governance studies, nowadays the main concern appears the rise of corporations and their concentration of economic power which can compete on equal terms with the European welfare states.

Keywords: “global special interests” , “corporate obsession with maximizing shareholder returns at all costs” , “searching for common solutions for common problems”, European countries, EU

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I. BACK TO THE FUTURE: JEAN MONNET AND BUILDING EUROPE

30 years ago, Ms Jacqueline Lastenouse presented her idea of "European Chairs" in Higher Education. Her initiative met the growing need to support research on European Integration, embrace and encourage the existing efforts of universities and European studies associations in teaching European Studies. The Jean Monnet Action was born focusing on the so-called "European Studies". Perhaps one might ask what European Studies mean in corporate governance. We shall discuss this.

The Jean Monnet Action was born, named after one of the EU Pioneers, the first president of the executive body of the European Coal and Steel Community, Jean Monnet (1888 – 1979). I guess everybody knows who is Jean Monnet, but I would like to focus on a short story in the 1950s which seems surprisingly relevant for our corporate governance research in Europe nowadays.

Building Europe in 1952-1955

In his "Memoirs", Jean Monnet wrote on Building Europe in 1952-1955: "As president of the High Authority of the European Community of Coal and Steel (CECA) I established, with my colleagues, the first European institution with supranational authority. We set an example by working in a spirit of cooperation. Our collaborators from the six countries melted into a single team, without national distinctions, searching for common solutions to common problems." Nowadays one might say that it is natural to promote the diversity of boards of directors but in 1952 establishing this kind of international diversity was a great innovation. At that time it was an incredible achievement both Germans and Frenchman to join the Board of Directors of CECA when before that the German-French problems have been discussed mainly on the European battlefields. It was a great social innovation to establish the European Community of Coal and Steel after two World Wars, the Spanish Civil War in 1936-38, and after so many social problems in Europe and the catastrophic attempts to resolve them through communism, fascism and nationalsocialism. Indeed, Jean Monnet was one of the fathers of the CECA project. He has applied a pragmatic approach about European collaboration and collaborators coming from different countries "melting into a single team without national distinctions, searching for common solutions for common problems”. Which are our common solutions, which are our common problems first, in corporate governance research in European Union? We shall discuss this.

Jean Monnet was a man with a remarkable vision. He wrote: “In 1953, coal and steel circulated freely in Europe, to the great advantage of consumers as well as producers. Nevertheless, our Anglo-Saxon allies no longer wished to assume the cost of Germany's defence. There was talk of re-establishing a German national army, which would represent a dangerous step backwards, I suggested, as an alternative, that we create a European army.” As we know, for the time being this suggestion has been not realised in Europe.

Going back to 1954, Jean Monnet wrote: “Faced with the extreme threat of the Soviet armies, René Pleven proposed the European Community Defence Plan (CED), a treaty between the Six; but, under the Mendès France government, the French parliament rejected it in 1954. This was a grave crisis for Europe. I resigned from the High Authority and founded the Action Committee for the United States of Europe.” Again, as we know, this idea has been still living only in the big world of ideas. Back to nowadays, since 2015, there have been many discussions about the so-called democracy deficit in Europe but actually the main deficit appears as deficit of imagination and deficit of ideas. Nowadays we need again people with a remarkable vision like Jean Monnet.

The Jean Monnet Action: 1989-2019

Over the last 30 years, a striking number of almost 5000 projects have contributed to the field of European integration studies. Currently half a million students benefit from the Jean Monnet Actions every year, which is now present in 87 countries worldwide. The 30th anniversary of the Jean Monnet Actions in 2019 provides an opportunity to discuss its impact on European studies worldwide but also its wider impact on our society. I think today it is a good idea to discuss the Jean Monnet Action at our workshop on European corporations.

What are the aims of Jean Monnet Actions? The Jean Monnet Actions aim at promoting excellence in teaching and research in the field of European Union studies worldwide. These Actions also aim at fostering the dialogue between the academic world and policy-makers, in particular with the aim of enhancing EU and global governance. European Union studies comprise the study of Europe in its entirety with particular emphasis on the European integration process in both its internal and external aspects. Jean Monnet Actions promote active European citizenship and deal with the role of the EU in a globalized world , enhancing awareness of the Union and facilitating future engagement and people-to-people dialogue worldwide. What is active European citizenship? This seems like a cliché, because perhaps everybody might think that first, by definition, she is a citizen, a second, why not good one. However, it is not so trivial. There will be European elections at the end of this week on 26 May 2019. What is a good citizen? Perhaps, somebody who participates in elections…

Jean Monnet Activities are a part of Erasmus plus Program with a main focus on European Studies. What follows in this essay are just two examples of European Studies. The second section focuses on the EU and the third section – on European corporations. This short essay will finish with discussion on recent challenges for European corporate governance studies.

II. THE EU

A. The Real Problems, Fake Problems and the Cost of no EU

If we are going to study the EU today, we might identify three types of problems: the real issues, the fake issues and the major risk of no EU. Obviously, there are many problems at the EU level but the main problem is that, unfortunately, the political integration, for many reasons, was not very successful (see e.g. Blankart and Mueller (2004), Mueller (2004, 2005, 2008) on the debate on the European Constitution).

Nowadays, however, there exists a special, second kind of problems. These are fake problems, problems which actually do not exist, but somebody is very interested in their existence and has invested a lot to focus public attention on this kind of pseudo problems. For instance, TV Channel Zvezda reported how the European Parliament has informed about "total unemployment" in the EU (see the article "*В Европарламенте рассказали о тотальной безработице в странах ЕС"* Андрей Аркадьев 20.05.2018). In fact, 1) the European Parliament's research presented the unemployment rates among young people in each EU member state; 2) there has been a significant improvement in the past few years (in spring 2013, the youth employment rate peaked at 23,8 % and then declined sharply to 16,1 in 2018); and 3) huge imbalances persist between EU Member States. The lowest rates were observed in the Czech Republic (5.8 %) and Germany (6.6 %) while the highest were recorded in Greece (43.7 %), Spain (36.0 %) and Italy (31.5 %). This kind of manipulations has been fabricated not only in many countries in Eastern Europe, but fake problems producers have been also active in a few countries in Western Europe. Certainly, the usual corporate governance agenda is not devoted to identify fake corporate governance problems but it seems it is important sometimes to make the difference between fake or not relevant and real and highly relevant corporate governance issues for European countries.

There are a third kind of problems which are seldom studied because of their quite speculative character. These are the problems connected with the downside risk if there is no EU. The meaning of this risk is like in investment studies but in the no EU case this risk would explain a worst-case scenario for citizens in Europe or would indicate how much citizens stand to lose. What about if there is no EU? This is a question which citizens in Europe might ask themselves. The cost of no EU is perhaps again to go to a new Iron Curtain, local conflicts and wars. Would people like going again to a new 1945-1989 Cold War period? Then there was an Eastern and there was a Western Europe, and there was no free movement of people in Europe but potential free movement of rockets. We have to calculate this potential downside risk of no EU in all our European studies.

B. The EU Real Problems: Political Integration

Which is the particular problem of EU political integration today? If we are going back to 1989, it was clear at that time and there was consensus that European countries are going in the same direction. Europeans have been going to the universalization of western liberal democracy. 30 years ago *in "The End of History?"*, Francis Fukuyama wrote: " What we may be witnessing is not just the end of the Cold War, or the passing of a particular period of post-war history, but the end of history as such: that is, the end point of mankind's ideological evolution and the universalization of Western liberal democracy as the final form of human government (Fukuyama, 1989).

If we are coming back again, just jumping to nowadays problems, on the surface it seems there is a major divide between East-West and North-South in Europe. There are many clichés e.g. about the hardworking and responsible people in one part of Europe versus lazy people in the other. However, actually this divide is not so trivial. *Is the cultural diversity across EU members so high?*

Reality check: *No.*

In a recent study (Alesina, Tabellini and Trebbi, 2017), authors argue that compared to observed heterogeneity within European member states themselves, or in well-functioning federations such as the US, cultural diversity across EU members is a similar order of magnitude. The main stumbling block on the road to further political integration is not heterogeneity of tastes or of cultural traits, but other cleavages, such as parochial national identities.

Can something be done to increase European identification? In the long run, authors suggest that mutual distrust among Europeans can be reduced by expanding European educational initiatives. In the history of nation building, public education always played a major role (see Aghion, Persson and Rouzet 2012; Alesina, Giuliano and Reich, 2017). The Erasmus + Programme of student exchange works well, but the evidence suggests that it has not had a large impact in shaping European identities, probably because self-selected participants are already very pro-Europe (Sigalas, 2010; Wilson,2011; Mitchell, 2011). This program could be expanded to reach more young people in high school or in technical institutions, and not just primarily university students. Moreover, school programs could be designed to include a more extensive curriculum covering European institutions and citizenship. The Jean Monnet Action, Erasmus + Programme is a part of these EU educational initiatives aiming at the increase our European identification.

III. EUROPEAN CORPORATIONS

The Corporate Governance and European Integration Network (CGEUI) was established (www.cgeui.eu) with the support by the Jean Monnet Network action of the Erasmus + Programme of the European Union. The CGEUI aims at: (i) promotion of EU knowledge on corporate governance relevant for young researchers; (ii) expanding EU aspects into the work on corporate governance by network participants; (iii) promoting innovation in teaching and research; and (iv) building knowledge on the European corporate governance integration and promoting it across the world. It is important that the project is expected to benefit young researches and PhD students, the future generation of corporate governance researchers in Europe. The CGEUI aims at focusing on relevant corporate governance issues in European countries like the European corporations and the changes of their ownership and control after about 30 years corporate governance reforms.

A. Reforms for Decreasing the Role of Insiders and the State in European Countries

Going back to 1990s, there was consensus about corporate governance change in Europe. The mainstream corporate governance academic studies (e.g. "law and finance" literature; "insiders and the state" literature in Central and Eastern Europe) and policy papers (e.g. OECD Principles of Corporate Governance, 1999 but also later in 2004, 2014-2015) have been promoting the corporate ideology of shareholder primacy. Corporate governance reforms in Europe have been navigated according to the corporate ideology of shareholder primacy. In both Western Europe (WE) and Central and Eastern Europe (CEE), the existing corporate governance structures have been under pressure for converging to the Anglo-Saxon corporate governance model.

In the "*The End of History for Corporate Law*" Hansmann and Kraakman (2001) convincingly claimed: "Despite the apparent divergence in institutions of governance, share ownership, capital markets, and business culture across developed economies, the basic law of the corporate form has already achieved a high degree of uniformity, and *continued convergence is likely. A principal reason for convergence is a widespread normative consensus that corporate managers should act exclusively in the economic interests of shareholders***,** including noncontrolling shareholders. This consensus on a shareholder-oriented model of the corporation results in part from *the failure of alternative models of the corporation***,** including *the manager-oriented model* that evolved in the U.S. in the 1950's and 60's**,** *the labor-oriented model* that reached its apogee in German codetermination, and *the state-oriented model* that until recently was dominant in France and much of Asia. Other reasons for the new consensus include the competitive success of contemporary British and American firms, the growing influence worldwide of the academic disciplines of economics and finance, the diffusion of share ownership in developed countries, and the emergence of active shareholder representatives and interest groups in major jurisdictions. *Since the dominant corporate ideology of shareholder primacy is unlikely to be undone, its success represents the end of history for corporate law. The ideology of shareholder primacy is likely* *to press all major jurisdictions toward similar rules of corporate law and practice* (emphasis added)."

However, there is no systematic evidence about the emerging ownership patterns in European countries following the corporate governance movement in the 1990s and the 2000s and a few new interesting questions have emerged. To what extent the role of insiders and the state has been decreased in European countries? Which are the main determinants and county policies for the observed ownership change or ownership stability?

B. Developments after the Global Financial Crisis

After the global financial crises in 2008, there are new challenges, now it is not so clear which is the best corporate governance and even if it is reasonable to ask what is "the best" corporate governance model at all. The global financial crisis in 2008 and recent political developments have challenged the corporate ideology of shareholder primacy and the superior performance of the Anglo-Saxon corporate governance model, the best corporate governance practice of dispersed ownership, and control by outside shareholders. To what extent the decreasing role of insiders and the state have positive effects on economic performance in European countries? To what extent the emerging widely held companies and new owners like foreign and institutional investors have positive effects on economic performance in European countries? These and similar questions are open for further research.

IV. RECENT CHALLENGES

A. What is Good Corporate Governance Under Hyperglobalization?

I'll finish this short essay with resent unsolved problems and challenges of corporate governance research under the specific conditions of hyperglobalization. When 30 years ago researchers in Eastern Europe started examining the transition to a market economy, there was consensuses that *overregulation* was one of the main features of both the classical socialist system and the market socialism in the Soviet bloc countries. The transition from overregulation to the so-called market economy was the dominant mantra, fashion and a cry of the day. Ironically, 30 years later we have observed that countries in Eastern Europe have moved to another extreme – the world of *overglobalization* or what Dani Rodrik coined "*hyperglobalization*". Dani Rodrik is one of the most prominent researchers in the camp of the mainstream economists who are critical to globalization (Rodrik, 2011, 2018). Recently he has presented a lecture in Vienna (Dani Rodrik, *Karl Polanyi and Globalization's Wrong Turn*, Karl Polanyi conference**,** 3 May 2019 Vienna). In his lecture, he focused on the **negative effects** of **globalization.** He has used concepts like "global special interests", "global rules setters", "footloose companies" trying to identify forces which have been involved in state capture and global unification of rules leading to democracy decline. Interestingly, he focused on the negative part of globalization nowadays (globalization moving too fast and too far and serving these "global special interests", in short, hypeglobalization). I have asked him whether at the beginning of 1990s "globalization" had **positive effects**, for example in Eastern Europe, for decreasing the role of "local special interests". He agreed that at the beginning of 1990s the expectations were more optimistic.

Interestingly, the mainstream corporate governance studies in the 1990s and the 2000s before the financial crisis in 2008 have also focused on the possible positive effects of globalization on economic development through constraining economic entrenchment, the power of local interest groups, and state capture. For example, Morck et al (2000, 2005) show that entrusting the governance of huge slices of a country's corporate sector to a tiny elite can bias capital allocation, retard capital market development, obstruct entry by outsider entrepreneurs, and retard growth. Furthermore, to preserve their privileged positions under the status quo, such elites might invest in political connections to stymie the institutional development of capital markets and to erect a variety of entry barriers. Such an outcome is a suboptimal political economy equilibrium, which authors dub *economic entrenchment*. Following the normative question "what should be done", Morck et al (2005) show that globalization merits special attention here, for the persistence of economic entrenchment requires a degree of economic autarky for several reasons. They argue that economic openness, the freedom of locals to do business with foreigners, ought also to be numbered among private property rights; and economic autarchy is probably a lobbying goal of oligarchs seeking economic entrenchment. At the same time, openness, once installed, probably will make economic entrenchment more difficult to attain for elite.

By the same token, Rajan and Zingales (2003) propose an interest group theory of financial development where incumbents oppose financial development because it breeds competition. The theory predicts that incumbents' opposition will be weaker when an economy allows both cross-border trade and capital flows. According to their theory, incumbent interests are least able to coordinate to obstruct or reverse financial development when a country is open to both trade and capital flows. When a country is open to neither, they coordinate to keep finance under heel.

In transition countries, the World Bank launched a project on corruption and the so-called state capture revealing that corporate insiders with more experience in rent-seeking than in genuine entrepreneurship, as in some transition economies, might tend to favour weak property rights because these let them play to their advantage. Hellman et al (2003) call this *state capture*—in the terminology of Morck et al (2005), the acquisition of control over the organs of the state by corporate oligarchs. Openness of economy to foreign competition, trade and financial liberalisation have be seen as key policy recommendations against state capture.

Indeed, at the beginning of 1990s the main expectations were that globalization, economic openness and liberalization of markets would constraint insiders and the state, especially in Eastern Europe. For European corporate governance researchers, this appears an interesting observation deserving, in my opinion, further examination. If I were a PhD student, I would study this transition from overregulation and economic entrenchment of communist nomenclatura in Eastern Europe at the beginning of 1990s to hypeglobalisation and perhaps another type of economic entrenchment 30 years later – the emergence of "global insiders" or these "global special interests" which have worried Dani Rodrik and other scholars of recent globalization developments.

B. What Went Wrong?

Of course, there are not only critical views on globalization. For instance, a recent interesting book has presented a more optimistic view (see Iversen and Soskice, *Democracy and Prosperity* (2019) on globalization, democracy, education, and knowledge economy). However, Rodrik was not alone observing the dark side of the "global special interests". There are a few other researchers asking similar questions and rising their concerns about various aspects of recent corporate activities like the rise of corporate political power

(Zingales, 2012, 2017), the rise of inequality and supermanagers (Piketty, 2014), the rise of superstar firms and the fall of wages (Autor et al, 2017), the rise of corporate tax evasion and the fall of public wealth (World Inequality Report, 2018), and the gap between the purpose of corporations and society needs (Mayer, 2018). This is an eclectic list of few of recent studies. The key question is, because our main research focus is on European corporate governance, are these issues relevant for European corporate governance research.

C. Are These Issues Relevant for European Corporate Governance Studies?

No

If we are following a very narrow idea what is corporate governance, they are not relevant, because corporate governance examines mainly the principal agent problems between providers of finance and top managers. "Corporate governance deals with the ways in which *suppliers of finance* (emphasis added) to corporations assure themselves of getting a return on their investment" , Shleifer and Vishny (1997, page 737).

Maybe

Following the OECD Principles in 1999 what is corporate governance, we are focusing on broader perspective on corporation, including managers, shareholders and other stakeholders. "Corporate governance is the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among *different participants in the corporation, such as, the board, managers, shareholders and other stakeholders* (emphasis added), and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the company objectives are set, and the means of attaining those objectives and monitoring performance", OECD April 1999.

Yes

Following a recent paper by Dennis Mueller, asking again what is corporate governance, there are two dimensions of the corporate governance: a principal agent problem in corporations and relations between corporations and society."*One can think of corporate governance in two contexts.* First, as describing the set of institutions that determine how a corporation is governed – shareholder rights, the rules determining how members of the board of directors are selected, their powers, and so on. *A major concern of this strand of the literature is how corporate governance institutions can be designed to align management's incentives with those of the owners of the firm*, and the consequences, when they are misaligned. Second, one can think of the state's role in governing the corporation – regulations regarding the information corporations must reveal, laws forbidding insider trading, self-dealing and the like, laws concerning mergers and hostile takeovers, and most recently regulations in some countries with regard to managerial compensation. *Here the concern is often to ensure that corporations contribute to the advancement of social welfare, broadly defined*" (emphasis added), Mueller (2018).

D. What Should Be Done?

Researchers from different economic disciplines and ideological positions have focused on various aspects of possible solutions (see again references in the previous section B). For example, Dani Rodrik, who is mostly involved in international and developmental economics, has argued that the actors for the change in corporate governance are very important. He mentioned the US Senator Elisabeth Warren as one of the key actors for this possible change. There is a recent debate in USA, which is not about corporate governance in Europe, but I think it is important to discuss also this kind of debates in our European corporate governance studies.

1. The End of History for Corporate Law: 17 Years Later?

About 17 years after the publishing of the influential paper by Hansmann and Kraakman "*The End of History for Corporate Law* ", Elisabeth Warren, who is a potential candidate for a president of USA, has presented totally different agenda for corporate governance change (https://www.warren.senate.gov/). On 15 August 2018, United States Senator Elizabeth Warren (D-Mass.) proposed a federal bill, the Accountable Capitalism Act. The legislation aims to reverse the harmful trends over the last thirty years that have led to record corporate profits and rising worker productivity but stagnant wages. Because the wealthiest top 10% of American households own 84% of all American - held shares-while more than 50% of American households own no stock at all - the dedication to "maximizing shareholder value" means that the multi-trillion dollar American corporate system is focused explicitly on making the richest Americans even richer. "There's a fundamental problem with our economy. For decades, American workers have helped create record corporate profits but have seen their wages hardly budge. To fix this problem we need to end the harmful corporate obsession with maximizing shareholder returns at all costs, which has sucked trillions of dollars away from workers and necessary long-term investments," said Senator Warren. "My bill will help the American economy return to the era when American companies and American workers did well together." The Accountable Capitalism Act draft has been accompanied by a letter of support from academics and investors https://www.warren.senate.gov/imo/media/doc/Federal%20Corporate%20Charter%20Letter%20of%20Support.pdf

2. *Are the big investors ready to end the harmful corporate obsession with maximizing shareholder returns at all costs?*

Are the big investors (e.g. Silicon Valley's billionaires) ready to participate in this difficult theoretical and political corporate governance debate? Or *exit* is the much more "rational" strategy for these businessmen who obviously do not expect to internalize and do not care about the costs of destroying the society due to social unrest, military conflict or climate disasters? LinkedIn cofounder Reid Hoffman estimates that more than 50 percent of Silicon Valley's billionaires have bought some level of "apocalypse insurance," such as an underground bunker. "I keep a helicopter gassed up all the time, and I have an underground bunker with an air-filtration system." So says the head of an investment firm preparing for the collapse of civilization, as noted in *The New Yorker*.
https://www.newyorker.com/magazine/2017/01/30/doomsday-prep-for-the-super-rich

Are some of these people the most powerful investors which legal and whatever protection is the main concern of the nowadays mainstream corporate governance research? Or the main concern appears about the emerging dominant business ethics that everything is allowed for the "first hand" superinvestors and supermanagers and about the separation of owners of underground bunkers from the rest of the society. Actually, this was the concern of Karl Polanyi about the gap between economy and society leading to the European social catastrophes in the first half of XX century (Polanyi, 1944). Would this concern become also important for the Silicon Valley's billionaires who would show more prudent corporate social responsibility and constraint their "corporate obsession with maximizing shareholder returns at all costs" themselves?

3. *Have academics in the mainstream corporate governance ideology changed their mind and/or have dissidents with critical views emerged?*

If one is going to present an ultrashort historical overview of the mainstream corporate governance ideology in "transition" trying to summarize in a few lines about 60 - 70 years of recent history, the picture might appear as follows. Starting in the 1960s, the mainstream manager-oriented corporate governance model that evolved in the U.S. in the 1950's and 60's, was under the critics of managerial discretion literature (see e.g. Baumol (1967), Marris (1963), Williamson (1963), Larner (1966). In the 1970s and 80s, a second generation of critics emerged. Here I have mentioned only Fama (1980) and Jensen (1986) but this literature is huge. After key political changes (UK - 1979 and USA – 1981), the ideology of shareholders primacy had demonstrated its triumph in 1990s (see e.g. The Anatomy of Corporate Law). When after the collapse of communism in Eastern Europe, researchers started examining separation of ownership and control in post-communist enterprises in the 1990s, the ideology of shareholders' primacy had already become the new mainstream (30 years ago, in the 1960s, the manager-oriented corporate governance model was the dominant). Since the global financial crisis, perhaps, we have been observing again the beginning of an important shift.

Are 2010s the beginning of the end of ideology of shareholders primacy? Is serving all the stakeholders the real alternative? I am a bit sceptical. The experience of countries in Eastern Europe under the Soviet bloc socialism have provided an ample evidence that society trying to maximize the welfare of all the citizens *on the book* has finally produced *de facto* both inefficient and unfair control by a thin elite of the communist nomenclatura. On the other hand, closing our eyes about the "global special interests" and "corporate obsession with maximizing shareholder returns at all costs" will not resolve the common problems in European countries. It seems we have to jump from the pure theoretical considerations into the art of policy fine tuning searching common solutions on these problems in European countries.

4. *Could we expect a gradual shift of the main agenda of European corporate governance studies?*

Could we expect a gradual shift of the main agenda of European corporate studies to the question: "Are corporations contribute to the advancement of social welfare?" Thus, the rise of corporations and their concentration of economic power which can compete on equal terms with the European welfare states - economic power versus political power, each strong in its own field, would become the main concern in corporate governance studies in Europe. This seems an old issue identified by Berle and Means more than 80 years ago (Berle and Means, 1932). Then they actually speculated on the potential corporate development in this direction. Nowadays under the hyperglobalisation this corporate reality has appeared even more relevant for further research.

This short essay has focused on a mixed bag of issues starting from Jean Monnet and its legacy of ideas and concluding with recent corporate governance challenges but the unifying starting and final point have been the same: the corporations in Europe and the role of policy-makers like Jean Monnet and researchers from various generations and the nowadays PhD students to identify the relevant common solutions to common corporate governance problems in Europe. Which are nowadays the common corporate governance problems, say, in Spain, Austria, Sweden, and Slovenia? Is the taxation of footloose companies a common problem? Are lobbying and state capture by corporations regarding consumer protection a common problem? Is the non-transparency of non-EU ultimate beneficial ownership a problem of European security? The identification of the relevant questions appears the first step for designing the more relevant agenda for European corporate governance studies today.

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