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# The Cambridge Handbook of Corporate Law, Corporate Governance and Sustainability

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co-payments or other necessities. While admirable, some of these behaviors carry a high degree of risk for providers, who could lose their jobs or even their licenses to practice. For these reasons, many providers do not engage in these behaviors, or they also practice selective solidarity by making case-by-case evaluations based on emotional connections to patients. Raudenbush frames these emotional connections as the catalyst for informal behaviors among providers, and this framing points to the value of continuous care: only when providers came to truly know their patients and their circumstances did they choose to engage in the informal health care system.

These are only a few of the noteworthy findings from the book as, truly, no space is wasted. Raudenbush's writing is concise, and the selected interview excerpts add depth and richness to the analysis. In addition, the organization of the book lends itself well to a college classroom. *Health Care off the Books* would be a wonderful addition to an upper-division undergraduate or graduate course on the social determinants of health, population health, medical sociology, or social epidemiology. In particular, this book would complement other materials on social class and health, particularly around discussions of social networks.

I would also recommend this book for students in the preclinical phase of their medical education. Many medical students will be trained at public hospitals and, as such, will likely experience conflicts similar to those of Raudenbush's respondents. Furthermore, Raudenbush includes a follow-up analysis after the implementation of the Affordable Care Act and shows how the informal health care system persists despite changes in health care policy. In doing so, she reveals the broader shortcomings of a complex and disjointed health care system and urges us to once again consider an alternative in which our health care system does not abandon those who need it most.

*The Cambridge Handbook of Corporate Law, Corporate Governance and Sustainability*, edited by **Beate Sjåfjell** and **Christopher M. Bruner.** Cambridge, UK: Cambridge University Press, 2019. 720 pp. $200.00 cloth. ISBN: 9781108473293.

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In *The Cambridge Handbook of Corporate Law, Corporate Governance and Sustainability*, Beate Sjåfjell and Christopher M. Bruner have put together a monumental collection comprising 50 chapters written by an equally large number of contributors. The book focuses on legal aspects of sustainability but is informed by other disciplines. The authors cover an immense geographic and methodological breadth (including empirical law and economics and traditional doctoral analysis as well as Marxist and gender theory). Part I lays out the global regulatory context for sustainability. Part II surveys the finance and corporate law theories informing the corporate governance aspects of sustainability. Part III, which makes up more than half the text, consists of country and regional surveys of the corporate law framework. Often these serve as primers on corporate governance in the respective jurisdictions or highlight unusual features of the respective system. Some of the chapters cover jurisdictions rarely studied in the comparative corporate law literature, such as Mauritius, Indonesia, or the Solomon Islands (where the authors explore the "community company"). The chapters in Part IV attempt a synthesis by looking at possible drivers for change across jurisdictions.

Maintaining a line across an edited volume is not an easy task, as there is no established theory that integrates sustainability into corporate law. The editors seek to locate sustainability within the "planetary boundaries" framework developed by environmental scientists (p. 7). Business and finance thus should be environmentally, socially, and economically sustainable (p. 11). Corporate law and governance do not provide a framework for these goals, as they are mainly concerned with the relationship between shareholders, directors, and officers of the corporation, and among shareholders.

There have of course been ebbs and flows in the debate about corporate purpose over at least a century. Shareholder primacists argue that shareholders are the residual claimants in a corporation because (unlike, e.g., creditors or employees) they do not have fixed claims against the corporation. Thus, they have the best incentives to maximize the overall wealth produced by the corporation for everyone. Stakeholder theorists sometimes add that the interests of other identifiable groups should also play a role, and that they should enjoy a certain influence. Possible reasons for the latter include economic ones (such as motivating employees to make specific human capital investments), political, or ethical ones. Moreover, corporate governance is about how to grow the pie and how to distribute it.

On the micro level, as the Volkswagen scandal shows (which is covered by Matthew Bodie's chapter in the book), worker interests are by no means aligned with sustainability. A worker-friendly governance may not necessarily be geared toward sustainability and environmentalism. On the macro level, it is hard to see how planetary boundaries that are hard to discern and will possibly materialize years in the future can set limits for corporations that compete through growth.

Several of the country case studies show that the traditional instruments of corporate law, such as directors' duties, are unlikely to add much to sustainability, as business leaders are unlikely to have incentives to have regard for long-term planetary boundaries in their competitive quest for growth. How are individual firms expected to stop growing before they collectively reach planetary boundaries? Across countries, boards enjoy a wide latitude in taking actual decisions. Shareholder wealth maximization tends to be a social norm rather than a legal requirement (p. 697), on which countries differ. Economic and social pressures are therefore particularly important in guiding firms toward more sustainability. Reputational concerns of firms and those acting on their behalf might play a role, but, as Roy Shapira's chapter shows, there are many limitations that inhibit reputation's effectiveness as an enforcement mechanism. There is good reason to believe that the environment, which is not represented by an identifiable stakeholder group, typically can only be protected with regulation but not the soft duties of corporate law. Moreover, multinational corporate group structures and supply chains inhibit private enforcement for affected consumers or those impacted by environmental harm. One might add that international regulatory arbitrage opportunities and the mobility of capital relative to other production factors enable large firms to evade some regulatory strictures.

Among the many instruments for a way forward, three types stand out. First, disclosure requirements concerning sustainability issues have spread across countries. Their impact depends on whether investors have pro-sustainability preferences, and on whether the public imposes meaningful reputational constraints on firms.

Second, entrepreneurs may choose a legal structure explicitly geared toward sustainability, such as a the venerable cooperative or more recent innovations, such as the benefit corporations or social enterprise. Large corporations may make use of green bonds committed to sustainability projects. Third, investors might compel firms to become more sustainable, for example by means of shareholder activism. In recent years, the large index fund families have increasingly taken a pro-environmental position in their engagement. Corporate governance codes and stewardship codes were often written by and for institutional investors (p. 698), but the latter increasingly incorporate engagement for environmental and social issues.

There are at least two schools of thought on why institutional investors emphasize sustainability. One considers it an effort to appeal to millennial and other environmentally oriented investors. The second believes that institutional investors consider sustainability important because of long-run effects on their diversified portfolio. David Monciardini's chapter notes that EU reforms on sustainability disclosure have in recent years been driven by a coalition of institutional investors and unions, which maybe supports the second theory.

In her chapter, Sjåfjell argues that true corporate law reform is needed to overcome the social norm of shareholder primacy. Environmental regulation—which can be meaningfully enforced—does not suffice to get corporations in line. Directors' duties should be changed to incorporate sustainable value and planetary boundaries. While her proposal is nuanced, there are still reasons for skepticism. If the duty is too vague for meaningful enforcement, it will likely have little impact and leave the corporate purpose to social norms, reputational sanctions, investor activism, and market forces. Sjåfjell argues, however, that some level of public enforcement is necessary. The danger of this approach is that regulators or courts begin to micromanage firms and mix sustainability goals with business decisions. Courts are not well qualified to make such decisions, and neither are public authorities.

This is maybe a more pessimistic view than the one espoused by the volume's editors. The book also covers many small reasons for optimism, for example, laws creating responsibility for supply chains. The book is an invaluable resource for research on sustainability issues and on comparative corporate law in general. Any serious library covering these fields should have this book, and any researcher will have to address multiple ideas in the volume.

*Social Science for What? Battles over Public Funding for the "Other Sciences" at the National Science Foundation*, by **Mark Solovey.** Cambridge, MA: MIT Press, 2020. 408 pp. $50.00 paper. ISBN: 9780262539050.

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The focus of this book might seem peculiarly, even risibly narrow: Its subject matter is the history of that relatively small portion of the National Science Foundation (NSF) (typically about 5 percent of the agency's operation, in budgetary terms) that supports social scientific research and training. In the hands of Mark Solovey, however, the topic becomes a point of entry into a broad and ambitious—but frankly, quite dismal—study of the American social scientific tradition and its place in the wider scientific landscape. To preview the central point of this review: Although *Social Science for What? Battles over Public Funding for the "Other Sciences" at the National Science Foundation* will be of interest mainly to scholars concerned with the science/politics/bureaucracy nexus in the United States, sociologists of all stripes should read it for the sake of reflexive understanding. What the book provides, above all, is a record of the perverse consequences that can arise when the social sciences are shoehorned into an already-reductive model of natural scientific inquiry.

The book's historical narrative begins with the debates, in the years just before the NSF's birth, over whether the proposed science agency should deal with the social sciences at all. The result was a classic example of a political "solution" that merely kicked the problem into the future, satisfying no one. The 1950 charter that created the NSF made no mention of the social sciences, although it did include an ambiguous proviso allowing the agency to support "other sciences." This was the inauspicious starting point from which the agency's social science operation grew—first as a "limited program" under the stewardship of sociologist Harry Alpert, then (starting in 1960) as a bona fide "division" led by Alpert's successor, Henry Riecken. The 1960s saw a dramatic expansion of the program, although as the book makes clear, it was not owing to any managerial brilliance by its directors. Instead, the expansion was the byproduct of a larger growth of Cold War-era federal funding for scientific research. After its mid-1960s heyday, the NSF/social science partnership went through a series of ups and downs—albeit mostly downs. The book concludes in 1989 with the beleaguered program limping out of the Reagan years, having survived the latest round of budget cuts and assaults on its credibility.

*Social Science for What?*'s narrative-historical format gives the discussion a wide-ranging quality. Insofar as there is a unifying argument, it revolves around the "scientistic framework" within which, Solovey says, the NSF has consistently couched and justified its support for the social sciences. Since its birth, the program has espoused