"Shareholders as Proxies: The Contours of Shareholder Democracy" explores the long-standing suspicion of the individual shareholder and the corresponding ambivalence about shareholder democracy as it is seen in conversations about the shareholder’s role in the modern public corporation throughout the twentieth century.

"Shareholders as Proxies" examines two competing conceptions of the shareholder’s role in the corporation: one focuses on the role of shareholders as investors, the other emphasizes the role of shareholders as potential participants in corporate management. Professor Tsuk Mitchell argues that scholars and reformers who have conceived of shareholders as investors limited the locus of shareholder democracy to the market. The writings of Louis Brandeis, Henry Manne, and Chancellor Allen offer examples of this vision. At the same time, scholars and reformers who believed that shareholders should have a more active role in corporate management (including William Ripley, Adolf Berle, William Douglas, and the early New Dealers) were reluctant to give shareholders meaningful access to the corporate decision-making processes. They feared not only that shareholders were too passive to participate in corporate management, but also that they could not be trusted to make the correct decisions. For the most part, these scholars ended up using the rhetoric of shareholder democracy (and the shareholders) as a proxy to achieving other goals. In the course of the twentieth century, these scholars’ goals shifted from taming the power of the control group to constraining management to legitimating managerial power. More important, because they refused truly to empower shareholders, these scholars’ attempts presumably to promote shareholder democracy ultimately emptied the idea of shareholder democracy of content. Gradually, the rhetoric of democracy became an apology for the status quo.