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# Deliberative Democracy and Corporate Governance

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A COMMENTARY ON Jeffrey Moriarty (2014), “The Connection Between Stakeholder Theory and Stakeholder Democracy: An Excavation and Defense,” *Bus & Soc* 53(6): 820–852, <http://doi.org/10.1177/0007650312439296>

## ABSTRACT

Jeffrey Moriarty argues for a return to a robust notion of stakeholder theory involving direct procedural voting by stakeholders. He asserts that such voting offers the best possible chance of restraining firm behavior and taking into account all stakeholder interests. I argue, however, that Moriarty proceeds with an overly narrow conception of democracy, ignoring problems that arise from procedural voting. Specifically, paradoxes in voting procedures, the tyranny of the majority, and the inefficacy of representation advantage well-organized and moneyed interests. A stakeholder democracy may in fact undermine the very interests that Moriarty seeks to promote.

**THE NOTION THAT** firms should advance the interests of all stakeholders, and not just shareholders, has led to a vibrant conversation on how or whether to change corporate governance to better fit this ideal. Jeffrey Moriarty’s (2014) article on stakeholder democracy fits within this trend and serves as a call to return to the original vision of stakeholder theory. Moriarty observes that early versions of stakeholder

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