

# Preface



This book is obsolete. This book is timeless. This book is both.

The book is obsolete because changes in the modern corporation are happening at an exponential rate in ways that seem unlikely, often unpredictable. The book is timeless because it deals with themes that are as old as humanity, and the corporation as it evolves continues to draw from our inherent human nature. The book is both obsolete and timeless because it weaves together contemporary accounts of the corporation in transition, reminding us that who we are is what we make.

## Origins

This book happened over time. It began as a tutorial in 2012 when three Wake Law students helped me prepare reading materials for a comparative company law course that I was to teach at the University of Bergamo (Italy). Using materials from a 2011 symposium at Wake Forest on “The Sustainable Corporation,” the course laid out a roadmap in search of what seemed then a mythical creature.

Over the years, as I repeated the course in Bergamo and later Padua, as well as at Wake Forest and Brooklyn, the readings evolved to become a coherent textbook for a course that has included both undergraduate and professional law students. There have also been students pursuing degrees in economics, management, and sustainability.

## Sequential Nature

The book, unlike many law texts, is meant to be absorbed in a sequential fell swoop. Whether a concentrated four-week course (the typical schedule in Bergamo), an eight-week course (the schedule in Padua), or a typical 14-week course (at Wake Forest and Brooklyn), the concepts introduced in the book build on each other. The book is meant to take students and professors on a journey from point A to point Z—just like the Amazon logo.

Thus, the textbook begins with a look at the corporation’s current design, then the unsustainable nature of this design, next the current voluntary responses to make the corporation more sustainable (the “triple bottom line”), then proposals to re-design the corporation, and finally an inside-out

### The Sustainable Corporation

The book’s cover, as well as each unit and chapter heading, includes an image of the Pantheon in Rome. It is the most remarkable edifice. More visited than any other Roman monument, it has survived intact for nearly two millennia. Its oculus, perhaps its defining feature, represents three interconnected ideas. First, beauty is eternal, not just everlasting. Second, our planetary existence depends on the sun, and we human beings cannot exist without the natural world the sun makes possible. Third, we human beings have the capacity to manipulate nature—to create eternal adaptations using the sun.

rethinking of the corporation as moral actor. Though a bit idiosyncratic, it's a roadmap that has resonated with professors who have co-taught the course with me and with our students.

## Readings

The book is mostly a series of readings from a variety of sources. There are law and management articles, Internet blogs, law cases, policy statements,

### Book's animating principles

In writing this book, I have sought to follow three principles. The first identified by Thomas Piketty, an economist from France who studies wealth distribution: "Knowing the facts . . . can allow us to have a more informed discussion." That is, data matter. The second identified by Mahatma Gandhi, a Cambridge-trained lawyer from India: "An ounce of practice is worth a thousand words." That is, actions count more than words. The third identified by Joanna Macy, a former CIA spy and wise Buddhist teacher of environmental and human systems from the United States: "The heart that breaks open can contain the whole universe."

That is, I have sought to be attentive, to be present, and to be kind.

news stories, book excerpts—written by law and management professors, by policy thinkers, by journalists, by scientists, even by religious leaders.

Each chapter begins with a "chapter's focus"—offering suggestions on what to focus on as you read the chapter, and thus an overview of the chapter. Each chapter concludes with "concluding thoughts"—setting out stories, fables, essays, and poems that seek to provide an understanding of the chapter that suggests the integrative nature of corporate sustainability.

Many of the readings include excerpts of material that reflect my own evolutionary thinking on the topics of the book. There are excerpts from my student books on Corporations and Securities Regulation, providing a "Newtonian physics" exposition of the corporate world, which is often explained as a set of relatively straightforward concepts and incentive structures.

But the contemporary corporation is far more subtle and complex. It is better explained by "quantum mechanics," where one thing can exist in two places at once. For example, the corporation can be seen as both a shareholder wealth maximizing machine and the world's most dominant social institution seeking to satisfy a host of stakeholders. This "non-duality thinking" informs the evolving corporation, I believe, as we transition from what some describe as shareholder Capitalism to stakeholder Capitalism. I wonder whether "awakening capitalism" is a more apt way to describe this epochal change.

## Editing and Citation Form

This book is meant as a teaching resource, not a research tool. Toward this end, the readings are heavily edited, generally without adding ellipses or brackets to signal the edits. Citations and footnotes are omitted, along with whole paragraphs and sections, without any identifying notations. Often readings are redacted and paraphrased, again without anything more than a signal to this effect at the beginning of the reading.

In short, you should use caution when quoting primary materials from this book. The full text of the readings is available in all instances in the online version of the book, with hyperlinks to the complete version of most of the readings.

In particular, most of the scholarly articles (both law and management) do not reference the journal in which they have been published. That is, the

book has almost no citations! Instead, the online version of the book includes hyperlinks to where the referenced articles can be found, typically the Social Science Research Network (SSRN). My purpose has been not only to improve readability, but to democratize the law and management scholarship. Rather than signal an article's merits by indicating where it was published, I invite you to consider the article's merits based on the idea it advances. Of course, the online version of the book has hyperlinks to the article, thus indicating whether and where it was published.

## Online Companion

This book has its own online companion: check the Resources tab in Casebook Connect.

On the online companion, you can find supplemental readings and other materials, including suggested videos, scavenger hunts, group projects, even student papers. And for professors there are PPTs, a teacher's manual, sample syllabi, and suggestions for reviewing student submissions.

The online companion suggests videos that cover topics related to each chapter. For example, the online companion for the Overview (Roadmap for Our Journey) suggests two videos:

- (1) A short video by Thomas Piketty (a French economist who has gained international fame for his number crunching on the question of wealth and income inequality over time) and James Heckman (a Nobel laureate economist at the University of Chicago, whose work links the quality of early childhood development and health, economic, and social outcomes). *Why Economics Needs Facts* [2:13].
- (2) A longer video that you may have heard about, or maybe even already watched, by Steven Pinker (a famous psych professor at Yale). *Is the World Getting Better or Worse? A Look at the Numbers*, TED Talk (2018) [18:23]. The video summarizes the main findings of Pinker's book *Enlightenment Now: The Case for Reason, Science, Humanism, and Progress* (2018). One thing Pinker doesn't mention in the video is the important role of the corporation in human progress over the past two centuries. See Transcript of Talk. But then, he's a psychologist—not a corporate law/management type! That is, Pinker is a person with a hammer who mostly sees nails.

The online companion also suggests music videos for each chapter. For example, the online companion for the Overview (Roadmap for Our Journey) suggests you watch—or simply listen to—Yusuf/Cat Stevens: *The Wind* [1:47] / *The Wind (Original)* [1:57]:

*I listen to the wind, to the wind of my soul  
Where I'll end up, well, I think only God really knows . . .  
I listen to my words but they fall far below  
I let my music take me where my heart wants to go. . . .*