

Corporate Sustainability and Social Entrepreneurship

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Corporate sustainability and social entrepreneurship are the driving forces behind an increasing number of business decisions made on a daily basis. They represent a growing trend that melds traditional corporate purpose, i.e. maximizing shareholder value, with a desire to do good for the community and the planet.

In broad terms, corporate sustainability refers to the pursuit of business growth through investment in social or environmental initiatives. Social entrepreneurship can be viewed as the effort to apply business tools to achieve social good.

These trends may be welcome, but they also raise important questions about the purpose, nature and legal underpinnings of business life.

By their very nature, corporate sustainability and social entrepreneurship require that we ask tough questions, primary of which is this: Do corporations exist solely to maximize shareholder value and profit? Or do corporations also exist to serve a broader interest, to achieve “social good”?

Put another way, is there one bottom line or two? Can profit and social good co-exist and complement one another? Or are these concepts necessarily at odds?

The answer will undoubtedly vary in any survey of shareholders, business executives, Boards of Directors and other stakeholders, based on the personal experience and value system of the individual responding, and their view of proper legal requirements related to corporate governance.

In this series of articles we hope to examine the possibilities and survey the corporate landscape with respect to these important trends, and take a look at how corporate sustainability and social entrepreneurship are being used by businesses to increase customer loyalty, profits, and overall sustainability.

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