An Indicator of Synergy between Government and Corporate Goals? The Case of the Benefit Corporation

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ABSTRACT: *Traditional corporations have produced many challenges and threats to the welfare of nation-states by their extreme wealth-maximizing philosophies—that primarily has taken a toll on people and the planet and hollowed out the sovereignty of nation-states. This paper examines a new form of corporation—the* ***Benefit Corporation*** *in the United States--that came about through public policy driven by elected representatives in state governments. With the emergence of this new corporate form, the roles of the public and private sectors are synergized. Whereas U.S. corporate law was once viewed (somewhat erroneously) as primarily existing to maximize shareholder wealth, the Benefit Corporation aims to make profit while serving the public interest, and thus takes into account a stakeholder value in a corporation. Its charter allows for this broader purpose to be pursued by corporations without fear of shareholder lawsuits. Benefit Corporate missions uphold the "three E's": Ecology, Equity, and Economy.* ***.*** *Benefit Corporations are an early step in changing power balance between the organizational sectors.*

I. INTRODUCTION

At this time there is an indubitable gloom of national existential angst about the federal government's gyrations toward special interests, a ray of hope lies on the horizon. Perhaps we could take some optimism from how the recognition of the pressing need for sustainability of the planet be blurring the lines of the old and famous aphorism known as politics-administration dichotomy, from partisan politics into neutral administrative structures as suggested by Woodrow Wilson (1887) [1] to an argument of the public-private sector "dichotomy"?[2] This dichotomy is important to understanding how and why public sector interests have been subjugated to special interests today. This doctrine was used as a convenient excuse for the growing seizure of the public interests by private interests, because by saying the two sectors were different, it was also argued that the private sector was more effective and efficient, and would be better equipped to do the work of the public sector. Despite the fanfare, this seizure was detrimental to public and environmental welfare, as repeatedly shown in greedy private sector behavior.

But is it correct that the interests of the sectors are really so different, and should these interests really be seen as separate? In the systemic interdependence of public and private worlds, can there be a valid dichotomy at all, or should we be recognizing the nexus between them in more holistic terms? The term "shared value"[3] has been extended to this nexus, and today may be more so than ever. We are at a time when environmental and human rights crises in our extant temporal reality, and this is jolting the push toward public administration and business administration synergies. It also points the way for the faint voice of humanity and biosphere problems thrust us toward the eventual kind of public administration reform, long called for in Minnow Brook Conferences, I, II, and III—particularly in the last one in 2008, during which scholars reflected on The Future of Public Administration, Public Management, and Public Service around the world, with an emphasis on governmental capacity and the place of government in

[1] And later debated in public administration by such notables as Wallace Sayre and Graham Allison.

[2] This is a recent modification of the Politics-Administration, dichotomy promulgated by Woodrow Wilson (1887). "The Study of Administration". *Political Science Quarterly*, Vol. 2(2), 197-222, where Wilson actually meant "*partisan* politics" which has been misinterpreted over the decades.

[3] Porter and Kramer (2011) Creating Shared Value," Harvard *Business Review*, Cambridge, Mass.

the twenty-first century. A push to reclaim the public sector's sovereign role of governing. A role that has to reverse the private sector's tunneling into government sectors— most notably since the 1980s. Citizens of all nations have begun to ask: *How did our global economic system become so overrun by corporations and special interests, which have no social or environmental conscience?* And a corollary to that is another question: "*What is the appropriate role of corporations in the 21st century*? Citizens vocally or quietly also ask the following question: *how can we change the frightening climate in a nation, such as ours, where federal public administration has been coopted by a small minority of special-interest oligarchs?* However, a ray of hope from the clear damaging ecological footprints upon the planet be the tiny spark that ignites a cold revolution.

This paper will look at one instrument of this revolution--the Benefit Corporation—a voluntary entity of broad stakeholder values could be a nascent first-step model for integration of sectoral values in critical times. Unlike public laws and regulations which are mandatory, becoming a Benefit Corporation is a voluntary act on the part of a corporation that believes in ethics and civic responsibilities. Some call this model, corporate citizenship—i.e., corporate obligation to the citizenry that have been instrumental in helping a business thrive in society.[4] The old model whereby corporate interests transcended the sovereignty of nation-states was becoming more and more terrifying to the average citizen.

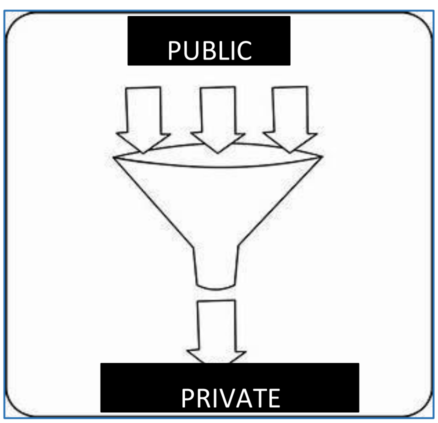

Fig. 1.1: Unconstitutional Hollowing of the Nation-State

Source: Coates and McWeeney (2019)

[4] Infrastructures like roads, waterways, airways, police and fire protection, and many other benefits of the public sector are recognized as visible and invisible public sector munificence.

THE HOLLOW AND EMPTIED STATE

In the recent two years of unnatural federal dictates under the Executive Branch, many citizens see public sector values being emptied out of public administration and directed toward special interests. The term the "hollow state"[5] was introduced into the lexicon of public administration in recent times by Brinton Milward of the School of Governance and Public Policy at the University of Arizona, and denotes the concept of the drainage of public sector values and deontology to private interests. Researchers Nygaard and Bramming (2002, p.4)[6] stated that the private market is now driving public administration. The term meant the contracting out of government goods and services to non-profit agencies. However, if the nonprofit is too diminutive in scope to deliver the goods or services required in their governmental contract or grant, then the role of the nonprofit as a stand in for the public sector is meaningless. (Fredericksen and London, 2000; Brinton, 2014, 1994; Terry 2005; Economist 2015; Cohen 2010).[7] So too is the problem of "privatization" a popular mantra in the 1980's and 1990's[8] which related faith in the private sector seemed absolute in the variety of articles that emerged, showing that the private sector's profit-maximizing mantra. In the functions that are privatized, they argue, the profit-seeking demeanor would result in price-cutting and consequently greater attention to customer satisfaction. These predictions were never realized to the extent touted by privatization believers. At the same time corporations flouted public sector values to equity and ecology in their relentless pursuit of profit, both at home and abroad (Coates 2013[9]; Coates 2015[10]). Various excesses in the market that have produced negative externalities. Professors Vogel and O'Toole at the University of California, Berkeley, note that perhaps, the large societal problems need solutions through *governmental* action, rather than private

[7] Fredricksen, Patricia, and Rosanne London. "Disconnect in the Hollow State: The Pivotal Role of Organizational Capacity in Community-Based

[5] Brinton M. (2012). "Hollow state." In H. K. Anheier, & M. Juergensmayer (Eds.). *The Encyclopedia of Global Studies* (pp. 808–809). London: Sage.

[6] Nygaard, C. and P. Bramming (2002) "Learning-centered Public Management Education," *International Journal of Public Sector Management*, 21(4).

Development Organizations." Public Administration Review 60, no. 3 (2000): 23039. JSTOR977465.
Brinton Milward, H. (2014). The increasingly hollow state: challenges and dilemmas for public administration. Asia Pacific Journal of Public Administration, 36(1), 70-79. doi:10.1080/23276665.2014.
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73-77.
Terry, L. D. (2005). "The Thinning of Administrative Institutions in the Hollow State". *Administration & Society*.**37**
(4): 426–444. doi:10.1177/0095399705277136
The hollow state. (2015). *Economist*, *417*(8969), 59-61.
Cohen, L. S. (2010). [A Government Out of Sight]. *Social History*,*35*(2), 221-223.

[8] Begun much earlier in the 1930's but was touted greatly in the Reagan administration in the 1980s. when it was believed that the private sector could produce governmental services, faster, cheaper and more efficiently— although this, was never fully realized, due to the differences in obligations and scope between the public and private sectors

[9] Coates, B.E. (2013) Leadership-Driven Conscious Capitalism, Vol. 6(4).

[10] Coates, B.E., (2015) The Increasingly Visible Hand of Government Behind Corporate Citizenship &; Conscious Capitalism, *Journal of Business Theory and Practice*, Vol 3(1).

enterprise (O'Toole & Vogel, 2011 [7]; Vogel 2005[12]). Robert Reich, also at UC, Berkeley, says essentially the same thing "…under super-capitalism, regulations are the only means of getting companies to do things that hurt their bottom lines." (Reich, 2007)[8]. By "hurt" Reich is being sarcastic and points to the necessary corporate goal of balancing profits with social good, instead of squeezing every last dollar of profit for themselves, with little regard for people and the planet. Can corporations survive the "hurt" by promoting social values? The answer has been, "yes", and the Benefit Corporation makes it an empirical reality through fair trade practices, internal operations as well as healthy profits/ profit. In other words doing good for society and the bottom line at the same time, with what business scholars like Michael Porter and Mark Kramer have called "shared value" [9]. Observations from experience around the world show that governments are beginning to do this.

The transference from public to private management, supporters argued would be powerful and profound, argued the supporters of privatization, who claimed that it would increase efficiency and effectiveness, reduce taxes, and most importantly reduce the size of government. It brings to clarity the question posed by Carroll et.al. (2011)[10]*to whom and for what is the modern corporation responsible?* (2011) to which the Benefit Corporation is one step toward the answer.[11] See model of change in Fig. 1.2, below:

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[7] Vogel, D. J. (2005). *The Market for Virtue: The Potential Limits of Corporate Social Responsibility*. Washington, DC: Brookings Institution.

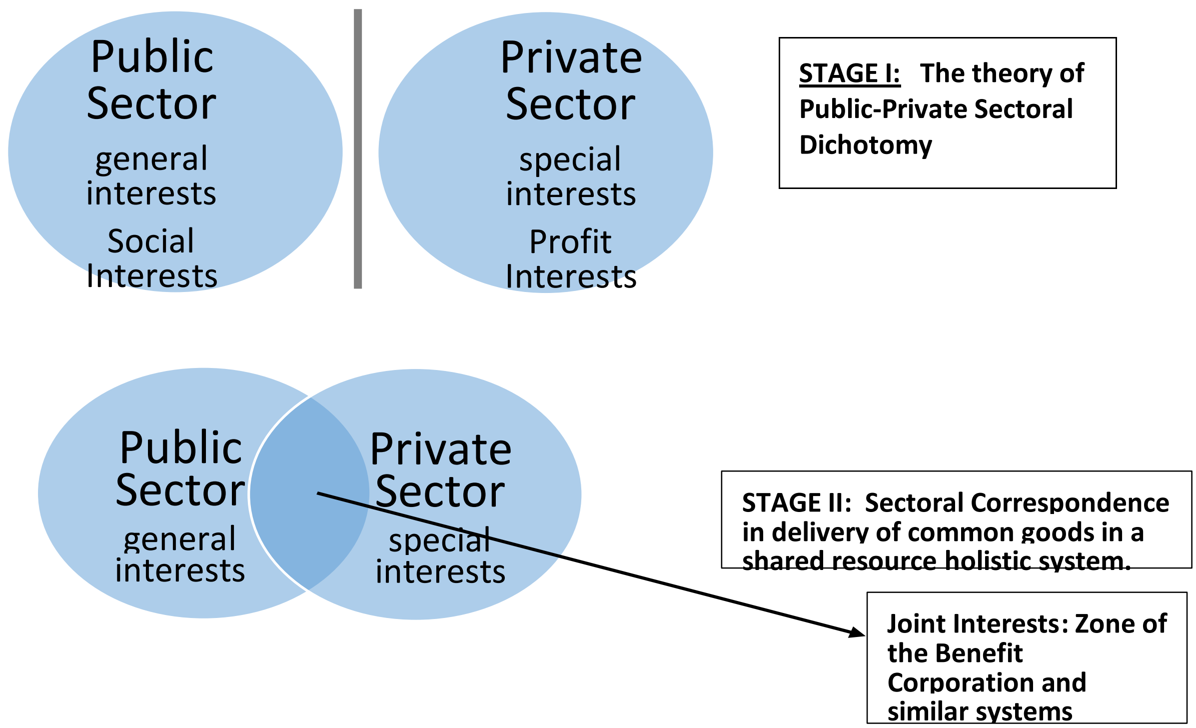
[8] Reich, R. (2007). *Supercapitalism: The Transformation of Business, Democracy and Everyday Life*. NY: Alfred Knopf.

[9] Porter, M. and M. Kramer (2011), Creating Shared Value," Harvard *Business Review*, Cambridge, Mass.

[10] Carroll, A. et.al. (2011) Handbook of Archie B. Carroll, Jill A. Brown, & Ann K. Buchholtz. 2018. B*usiness & Society: Ethics, Sustainability & Stakeholder Management*. Cengage Learning, 10th Edition

[11] The "Tomorrow's Leader's Group," a think tank of CEOs from such major corporate entities such as Proctor & Gamble, GrupoNeuva, TNT, CLP, StoreBoard, BP and others routinely debate such issues. This group, instead of asking the traditional question, "*how can we make more and more profit?*" they now ask "what is business *for*?" They seek to answer this question through scrutinizing the role of business on broad societal issues.

Figure 1.2: Sectoral Models: From "Dichotomy" to Integration



Source: Coates and McWeeney, 2019

II. EMERGENCE OF THE BENEFIT CORPORATION

Having witnessed the on-going market failure of corporate conscience and subsequent effects on environmental and human rights, legislators in the United States' state governments, reacting to progressive voices, saw that it was the corporate structure of traditional "C" corporations that was an issue to review. A legal corporate configuration was clamored for—i.e., corporation that would 'do good' (for stakeholders) while at the same time making profits (for shareholders). This would eliminate shareholder lawsuits from those shareholders, who felt that a corporation was "illegitimately" giving away corporate profits to serve the public interest in addition to shareholder wealth-maximization. However, but this is only reflexive parroting Milton Friedman's mantra [12] that the business of business is to increase its profits, and *ceteris paribus*, need not bother itself with other goals, like promoting the public interest. Shareholder primacy, the familiar (but erroneous view) that shareholders are residual claimants in the corporation, and the idea that shareholders are principals (owners of the firm) do not find a place in corporate law. As stated by law professor Lynn Stout of Cornell University, "Put simply, shareholder value ideology is based on wishful thinking, not reality." As a theory or corporate purpose, argued Professor Stout, it is in danger of intellectual collapse (2012, pg. 8)[13]. In the time of environmental damage, this statement by Stout is prescient.

Economists argue correctly that markets must be regulated to ensure competition

[12] Friedman, M. (1970) "The Social Responsibility of Business is to Increase its Profits." *New York Times*.

[13] Stout, L. (2012) *The Shareholder Value Myth*, Berrett Koehler publications, Inc., San Francisco.

(Bortolotti and Siniscalco ,[14]) and governments must hold corporations responsible for actions that harm people and the planet. In other words, the Benefit Corporation seeks to avoid the inevitable "tragedy of the commons" (Lloyd 1833 [15] , Hardin 1968[21], Ostrom[16]) if corporations only sought to maximize their own self-interests, as opposed to serving broader interests than profit alone. The tragedy of the commons illustrates how a shared-resource system act contrary to the common wealth of all system participants.

A new term was arising in the business lexicon in the early part of the 21st century. This was known as, "conscious capitalism" (Mackey and Sisodia 2013[17]; Coates 2013; Coates, 2015), and arose from progressive declarations. Conscious capitalism does not abnegate profit-seeking, but requires a business to do it in a thoughtful way that that assimilates the interests of all major stakeholdersin a company, which includes people and the planet. At the same time the state of
Maryland was considering a new form of corporation, sponsored by Senators Jamie Raskin and Brian Frosh, in 2010. Maryland was the first state to pass B Corp legislation in 2010. Other progressive states quickly followed. In California, Governor Jerry Brown signed legislation into law in 2011, and it became effective in 2012 for a new legal corporate form called the "Benefit Corporation". Today 35 states and the district of Columbia have Benefit Corporation Legislation, with other states having pending law in their legislative channels. Many traditional

Corporations [18] may indeed include social and environmental benefits in their operations, but they may be subject to shareholder lawsuits. Now a C corporation may change to a Benefit Corporation merely by stating in its approved corporate bylaws that it is a Benefit Corporation— also known as a B Corp for short. A Benefit Corporation is required by statute to create material value for all the corporate stakeholders. This entity is not the same as a non-profit organization. They are for-profit entities that are mandated by statute to create a substantive positive effect on society and the environment, and at the same time producing profit. The mission is rooted in how it conducts its operations. The governing board and the and shareholders determine what it means to be good for people and the planet**.** By having a choice in what kind of corporate entity meets their missions and goals is helpful to investors and entrepreneurs. The Benefit Corporation is referred to as a B Corp[19] for short.

A predicament immediately emerged—just because its by-laws claim a corporate entity is a Benefit Corporation, there could be a big difference between speaking and action--or as it is often said, '*talking the talk but not walking the walk*!" The solution was found in the B Lab (Beneficial Lab) which a certification entity--not be to confused with the B Corp. The B Lab does its work of verification of a corporation, by review of over 200 variables (such as standards of transparency, accountability, sustainability, and performance.) If a corporation meets 80 of these it is certified as a B Corp with a legitimate aim of creating value for society, not just for traditional stakeholders such as the shareholders.[20]

See Fig. 2.1 for the family of institutional agencies that:

1. Are Causes--that pushed for Benefit Corporations legislation

2. Are Consequences—that have emerged to support Benefit Corporations

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[14] Bernardo Bortolotti and Domenico Siniscalco (2004) *The Challenges of Privatization: An International Analysis,Oxford. Scholarship Online*.

[15]Lloyd, William Forster (1833). "Two lectures on the checks to population". England: Oxford University. [21]Hardin, G.(1968). "The Tragedy of the Commons"(PDF). *Science*. 162 (3859): 1243–1248.*Oxf*ord Scholarship Online.

[16]Ostrom, E. (1990). *Governing the commons: The evolution of institutions for collective action.* Cambridge:

Cambridge University Press.

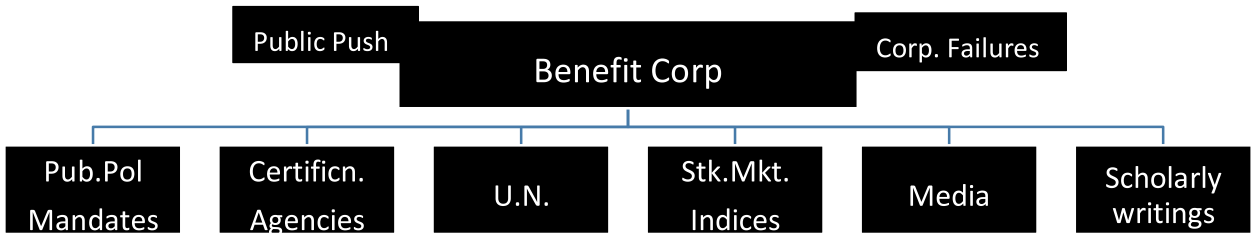
[17]Mackey and Sisodia (2013) *Conscious Capitalism: Liberating the Heroic Spirit of Business, Harvard Business Review Press, Boston, Mass.*

[18]Generally, all for-profit corporations are automatically classified as C corporations *unless* the corporation elects the option to change to a Benefit Corporation, or some other corporate form. C corporations are subject to income taxes, but also enjoy limited liability.

[19] Not to be confused with the B Lab below.

[20] The iconic ice cream business Ben and Jerry's sold the firm in 2000, to Unilever due to fear of shareholder lawsuits, PBS, https://www.pbs.org/video/pbs-newshour-benefit-corporations-aim-to-make-profit-positive-impact/

Fig. 2.1. Causes and Consequences for the Growth of Benefit Corporations



Source: Coates and McWeeney, 2019

A number of supporting agencies have been growing around the Benefit Corporation since it first came into being. Just like the B Lab an assessment system used for the Benefit Corporation's analytics is the Global Impact Investing Rating System (GIIRS). GIIRS offers a company seeking investment capital a rating of its social and environmental impact to a company that is seeking investment funding. It has been designed specifically for investors, and no other stakeholders—such as consumers, suppliers, etc. The GIIRS is an all-embracing and transparent instrument for assessing the social and environmental impact of developed and emerging market companies. It is similar to Morningstar investment rankings [21] and capital IQ financial analytics[28]. The GIIRS a focused spotlight on the impact performance of private companies. It uses cross-industry and cross-geographic methodology, from which it draws transparent, independent, and verified data. It also maintains transparent standards and an assessment tool that can be used by anyone for internal use for free.

The Global Reporting Initiative (GRI) is another rating vehicle launched by Ceres that is a consortium of 300 global organizations. It was launched by Ceres[22] Its guidelines represent the first global framework for conscious capitalism reporting. The GRI closes the much-needed gap in world-wide measures of corporate TBL—triple bottom line, of people, planet and profitinitiatives. It systemizes reporting processes measures on sustainability in order to retain, augment, and dispense assistance via continuous consultation and stakeholder relationships.

The nomenclature of "green stocks", "impact investing," and stocks that support corporations that value environmental, social, and governance alongside traditional factors such as valuations and earnings growth (ESG stocks) are also indicators of a firm's support of the TBL The Dow Jones North America Sustainability Index (DJSI NA) is another sustainability index of these markets, and was created in 2001. The Dow Jones Dharma Index was created in 2008, and contains measurements of companies that value harmony, care for the natural environment, ethics, and other values of dharma-based religions such as Hinduism and Buddhism. Dow Jones has also created "Dharma" indices for Britain, the United States and India. Another such "impact index" is the FTSE4GOOD (Financial Times Stock Exchange) which meets the TBL vision. Impact investing has become a standard consideration in many group investment strategies university foundation funds, as well as for individual investors.

The 2018*Report on US Sustainable, Responsible and Impact Investing Trends,*as of year-end 2017, from the US Sustainable Foundation, it is noted that more than one out of every four dollars under professional management in the United States—$12.0 trillion or more—was invested according to Socially-Responsible Investing SRI strategies.

Confirmation of data is a critical component for assisting consumers, customers, and other patrons understand the strengths of a firm's citizenship program. The Sustainability Index was created by Dow Jones, and was the first sustainability index of common stocks based upon them performance on the

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[21] The Morningstar risk rating is a ranking given to publicly traded mutual fundsand exchange-traded funds(ETFs)[28] Capital IQ is standard and Poor's market-intelligence platform.

[22] Ceres is a non-profit organization advocating for sustainability leadership and the United Nations Environmental Programme (UNEP).

three dimensions of the TBL—calling them environmental sustainability; economic sustainability and social sustainability (Dow Jones Indexes, 2008, and A Crane and D. Matten 2004.) [23] It helps investors to identify publicly-traded companies with outstanding environment, economic, and social performance. The Dow Jones' Dharma Index (2008) is closely linked to its Sustainability Index. It index is a trajectory of over 3000 "dharmic" companies across the globe. These are corporations that use Hindu and Buddhist values in their organizations. The Dharma Index acknowledges the value of capitalism around the world that use ecological environment and human equity data.

Another such index is the Wilderhill Clean Energy Index. This instrument tracks those firms that use clean energy technologies, and have a focus on preventing pollution. Stocks and sector weightings within the ECO Index are based on how companies treat the issues of clean energy and technological acumen in preventing or reducing environmental pollution.

In the United Kingdom, The Corporate Responsibility Index (CRI) is a leading tool that indicates how well corporate management effectively manages the natural environment. It is also a great instrument against which other firms can benchmark their own strategies, and

Allows them to effectively measure, monitor, report and improve their impacts on society and the environment The indicators come from technology, energy, healthcare, and aerospace and defense industries that were selected based upon the perceived relevance to the Markkula Center or applied

Ethics, for making partnership decisions.

The generation of Americans born between the early 1980s and the early 2000s are known as millennials, and 1/3 consider socially responsible factors when they invest as shown in a survey by U.S. Trust, Bank of America Private Wealth Management (2013). Stephen Liberatore, co-manager of TIAA-CREF Social Choice Bond has argued that "Socially responsible investing is going to continue to grow and be in demand as the next generation of investors takes over." According to the 2016 Deloitte Millennial Survey, over half of these millennials eschew working for a firm that has low values and standards of ethical conduct. This report argues that this is not hypocritical reporting, rather, 2/3 of young workers want to be associated with corporations that promote their own ethical values. Because of this, it was found that over the past few years employers have been selecting "impact" (SRI) stocks to build their employees' retirement portfolios.

SIGNIFICANCE OF BENEFIT CORPORATION

The Benefit Corporation has blurred the old orthodoxy of public and business dichotomy. The debate has continued in modern times, most conspicuously after Milton Friedman claimed in his iconic *New York Times* article, (1970) that: "the purpose of business is business"[24]. The idea that a for-profit corporation has as its purpose to maximize financial gain for its shareholders was first articulated in *Dodge v. Ford Motor Company*in 1919. Over time, through both law and custom, the concept of "shareholder primacy" has come to be widely accepted. This was reaffirmed in 2010 by the case *eBay Domestic Holdings, Inc. v. Craig Newmark*, in which the Delaware Chancery Court stated that a non-financial mission that "seeks not to maximize the economic value of a for-profit Delaware corporation for the benefit of its stockholders" is inconsistent with directors' fiduciary duties. However, the fiduciary duties do not list profit or financial gains specifically, and to date no corporate charters have been written that identify profit as one of those duties. Furthermore, these are judicial opinions, not legislations, and what the court gives it can take away again.

Nevertheless, these court judgements were interpreted by the private sector as indicating that the sole purpose of business is to increase its profits and lower its costs. It led to one journal article after another about distinctions in decision making, accountability, and orientation. The dichotomy ideology was widely pontificated in the Reagan administration, and later bolstered by the popular view that business principles should be adopted by the public sector (Osborne and Gaebler, 1993) [25] All of this spelled disaster for the public interest around the globe as businesses became more and more self-interested, and profit–driven to the detriment of the natural and human capital that belongs to humankind.

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[23] Crane, A. and D. Matten (2004) *Business Ethics:A European Perspective, Engaging Corporate Citizenship and Sustainability in the Age of Globalization,* Oxford University Press, U.K.

[24] Friedman, M. (1970) "The Social Responsibility of Business is to Increase its Profits." *New York Times*.

[25] Osborne, D and T. Gaebler (1995) *Reinventing Public Administration*, Penguin Publishing Group.

Unethical practices were common, even revered, and in the business sector, the chant "greed is good" [26] became ubiquitous. Even Milton Friedman did not mean his famous dictum to go as far as it did with the torrent of corporate greed of an unprecedented ferocity--greed that resulted in oil spills, fires, pollution of water, abuse of labor, and the like. Government fines, and regulations, were no match to curtail corporate avarice, until the muted voices for reform grew louder and could not be ignored in the early part of the 21st century. It also signaled the growing realization that all sectors of the economy have responsibility for the public interest, not government alone. The notion that there is a systemic impact of one sector upon the others began to bubble up in national and international political discourse. This is captured by the phrase, "stakeholder welfare in addition to "shareholder welfare" (Lawrence and Weber 2017) [27]. Then the notion of dichotomous sectors slowly gave way to the possibility of synergistic ones. The Benefit Corporation is an outgrowth of the force of this new ideology.

Benefit corporations expand the fiduciary duty of directors to require them to consider non-financial stakeholders as well as the interests of shareholders. This gives directors and officers of mission-driven businesses the legal protection to pursue an additional mission and consider additional stakeholders.

III. THE VISIBLE HAND OF GOVERNMENT IN GLOBAL PUBLIC ADMINISTRATION

It is not just in the United States that government is playing a more visible hand on how corporations should see themselves as citizens with responsibilities to not just profit, but also to people and the planet. New commanding mandates and corporate control tactics roles (Fox et al. 2002) from governments determined to take back power have been emerging. India's CA2013 and laws in some EU countries fall into this category, as do Australia, Canada, and the UAE (2017)[28].

In India, the liberalization of the economy, and rapid globalization have come with a heavy price for humans. Environmental pollution, forest decimation, loss of biomass, ineffective waste management systems and the like, are some of the many complex problems with negative externalities that contribute to poverty and over-population problems within the country today. These problematic national welfare issues can and do morph into national security issues. The law known as the Company's Law signals government's view that corporations have societal and environmental obligations—not only in the regions where they exist, but also to take into consideration how company activities affect the broader society and the environment at large.

The Benefit Corporation in the United States also has clones in other government interventions in Europe--such as in Italy, and Norway (Albreda, et al., 2007) [29] while France, Denmark, South Africa and China have a mandatory reporting obligation on the amount spent on corporate social responsibility activities. The United Nations Global Compact on responsible corporate behavior and sustainability has appealed to over 6,000 corporations across 135 nations and continues to do so. Firms have pledged to calibrate their business goals to a set of standards of socially and environmentally-responsible actions, in addition to the profit motive. The U.N.

Global Compact is the world's largest corporate sustainability initiative whose underlying mission is to view "Business as a Force for Good." The Global Compact's goal is to get business to take shared responsibility for achieving a better world" (https://www.unglobalcompact.org/what-is-gc/mission).

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[26] Promulgated by the fictional character of Gordon Gecko, in the film *Wall Street*, 1987.

[27] Lawrence, A. and J. Weber (2017) *Business and Society: Stakeholders, Ethics and Public Policy*, McGraw -ill, New York, N.Y.

[28] Corporate social responsibility (CSR) in different countries, *Transparent Hands*, https://www.transparenthands.org/corporate-social-responsibility-csr-in-different-countries/

[29] Albreda, et. al. (2007) "The Changing Role of Governments in Corporate Social Responses Drivers and Responses, *Journal of Business Ethics*, 74(4), pgs. 391-407.

IV. SUMMARY

The Benefit Corporation signals that corporations can work with governments to many corporate leaders have both customer and citizenship in mind when leadership opts into a Benefit Corporation form. Furthermore, several conservative states, e.g., Kansas, have signed this form of legislation. Governor Scott Walker in 2017 signed the law creating the Benefit Corporation in Wisconsin a majority conservative state. Arizona, South Carolina, Arkansas have benefit corporation legislation. [30] We can glean some lessons from this case study of the Benefit Corporation and its synergies with government goals and aspirations:

1. For the good of humanity and sustainability of the environment, the public and private sectors are coming to an acceptance of the systemic effect of all actions on the planet,

2. One step in this direction is the new paradigm of the Benefit Corporation which maximizes value to both shareholders and other stakeholders.

3. This legislation has broad national appeal. Many progressive as well as conservative states have passed Benefit Corporation legislation

4. There is recognition that goods and services provided by the private sector can make profit and still produce social and environmental benefits.

5. Millennials see their individual futures tied to synergies between the public and private sectors in the areas of social, environmental and economic benefit.

6. The Benefit Corporation philosophy is creating opportunities for growth and employment that are advantageous for people, planet and profit in the "green sector" of enterprise. [31]

7. New skills for managing product life cycles (from a product's birth to death or reuse) are emerging, that provide neoteric opportunities.

8. Whereas "hold-out" corporations still seek loopholes in federal and state legislation, Benefit Corporations want to be responsive to public law and regulation, and expectations of international watchdog entities.

9. It helps restore public sector authority.

10. In the private sector Benefit Corporations improve brand image and reputation, and promote competitive advantage and goodwill.

THE PUBLIC SECTOR AND THE PRIVATE SECTOR ARE MORE ALIKE?

In response to human and environmental stressors in the 21st century, public and private sectors are coming nearer to synthesizing their roles It has been said that "At the broadest level, some organizational theorists contend that administration is administration whatever its setting, and that the problems of organizing people, leading them and supplying them with resources to do their jobs are always the same (Kettl, 2012, p. 38)." In today's reality of planetary and humanitarian impacts, the aphorism that Graham Allison promulgated in his article, "Public and Private Management: Are They Fundamentally Alike in All Unimportant Respects?" (Allison, 2012, p. 4)" becomes more apparent because as Allison asserted that in comparing public and administration and business management, "it is possible to identify a set of general management functions."[32]

The new agreements between business and public administration point to the notion that Henri Fayol was prescient when he argued that there existed ***only one*** "administrative science". Henri Fayol passionately asserted in his address in the Second International Congress of Administrative Science, that public and business administration were intrinsically connected: *"The meaning which I have given to the word administration and which has been generally adopted,*

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[30] "State by State Legislation," https://benefitcorp.net/policymakers/state-by-state-status

[31] Stock market indices, new growth of companies specializing in cause-related investing, and emergence of certification and rating agencies.

[32]**His observations stem from** Wallace Sayre's **famous words, "public and** private management are fundamentally alike in all unimportant respects**,"** **Sayre, W. (1958) Premises of Public Administration Past and Present, Public Administration Review, 18(2).**

broadens considerably the field of administrative sciences. It embraces not only the public service but also enterprises of every size and description, of every form and every purpose. All undertakings require planning, organization, command, co-ordination and control and in order to function properly, all must observe the same general principles. We are no longer confronted with several administrative sciences but with one which can be applied equally well to public and to private affairs". It seems that globally and in the United States a synthesis of public and private goals may finally be coming about.

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