

Why Should Humanists Support Benefit Corporations?

One project of the Social Action Committee of the Humanist Community in Silicon Valley is to promote benefit corporations because the humanist philosophy embodies an approach to ethics that includes people from all walks of life and thereby extends to economic and environmental concerns. We take a realistic, fact-based view of the world and hence have made ourselves aware that, under existing corporate law and practice, the purpose of the standard business corporation is to maximize profit so as to increase shareholder gains. And that, because of this purpose, such corporations have no inherent social and environmental conscience but only pursue social and environmental concerns if they are productive of, or at least not counterproductive to, maximizing profits,

Such a singular, profit orientation pursued above all other consideration is an impediment to the creation of a long-term, sustainable economic system because the pure profit motive can make it morally excusable for such corporations to externalize as many of the negative consequences of their behavior on society and the environment as they can get away with.

A paradigm shift to a sustainable global economic system in which all corporations act as responsible global participants would be of great benefit to humanity as a whole, so in pursuit of a more globally-responsible corporate ethos, we support the concept of the benefit corporation which is structured to:

1. Expand the fiduciary obligations of its directors and officers to consider the effects of corporate behavior not only on shareholders but on stakeholders, such as employees, vendors and suppliers, the communities in which the corporation operates, and the natural environment, and
2. provide transparency and accountability to shareholders for meeting this broader purpose.*

**** For the best on-line sources of information about benefit corporations see 1) John Montgomery's Forum for Humanist Community in Silicon Valley, 3/31/13 (<https://www.youtube.com/watch?v=4djAObGZnml>), and 2) his article in the May/June 2014 issue of The Humanist magazine (<https://thehumanist.com/magazine/may-june-2014/features/the-benefit-corporation>). These references discuss benefit corporations in depth and make clear their value and why they are a growing corporate trend available in 33 states and deserve a little more push from the rest of us.***