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TAMARA C. BELINFANTI

Forget Roger Rabbit—Is Corporate Purpose Being Framed?

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ABOUT THE AUTHOR: Associate Professor, New York Law School; Aspen Ideas Scholar; J.D., *cum laude*, Harvard Law School. This essay was written as part of a symposium, *Exploring Civil Society Through the Writings of Dr. Seuss*, held at New York Law School on March 1, 2013. Heartfelt thanks to my symposium co-organizer, Professor Richard Chused, and the fantastic group of symposium panelists and moderators. Most notably, I must thank my fellow *Lorax* panelists: Alice Korngold, author of *A Better World, Inc.* and President and CEO of Korngold Consulting; Brian Walsh, Director of LiquidnetforGood; and Miguel Padró, Project Manager at the Aspen Institute Business & Society Program. A video recording of that panel discussion is available at <http://youtu.be/0m8JpnMrhqc>.

I. INTRODUCTION

A 1988 animated film provocatively asked: “Who framed Roger Rabbit?”¹ Viewers were led through a convoluted tale that unearthed how Roger Rabbit was “framed” or “set up” to look like the person “who dun’ it.”² While *Roger Rabbit* used the word “frame” in its everyday sense, “framing” can be more formally defined as a “process whereby communicators act—consciously or not—to construct a particular point of view that encourages the facts of a given situation to be viewed in a particular manner.”³

One of the most inventive framers of all time is arguably Theodor Seuss Geisel (better known as “Dr. Seuss”), author of such classics as *The Sneetches*, *The Cat in the Hat*, and *The Lorax*. In *The Lorax*, Seuss’s framing deft is on full display as he paints a story of the destruction of a pristine forest at the hands of an innovative but seemingly greedy and short-sighted character called the Once-ler, who is the founder and head of a business that makes “Thneeds” (more to come on the meaning of “Thneeds”).⁴ To manufacture Thneeds, the Once-ler must chop down “Truffula” trees, which many creatures depend on for their food and sustenance.⁵ Throughout the story, the Lorax and Once-ler engage in an ongoing dialogue which exposes their competing views on expected corporate behavior and the external factors that should influence corporate decisionmaking.⁶

The Lorax is often described as a story about environmental preservation. It is, however, also a story about corporate purpose and the function of corporations in society. For example, do corporations exist solely to create value for their owner-shareholders (the so-called “shareholder primacy” or private property model)?⁷ Or should they be viewed as social institutions which have both social and profit-making functions (the “social institution” view)?⁸

Indeed, this question of the purpose of the corporation is by no means new. At different points in the history of corporations, this question has been posed and competing answers given. In medieval times, for example, corporations were viewed as “bodies politic”; they existed “on sufferance of the Crown,” which reserved the right

1. See *WHO FRAMED ROGER RABBIT* (Touchstone Pictures 1988).

2. See *id.*

3. JIM A. KUYPERS, *RHETORICAL CRITICISM: PERSPECTIVES IN ACTION* 182 (2009).

4. See DR. SEUSS, *THE LORAX* (1971).

5. See *id.*

6. See *id.*

7. See generally ADOLPH A. BERLE & GARDINER C. MEANS, *THE MODERN CORPORATION AND PRIVATE PROPERTY* (1991) (exploring and advocating the private property model view).

8. See generally E. Merrick Dodd, Jr., *For Whom Are Corporate Managers Trustees?*, 45 HARV. L. REV. 1145 (1932) (suggesting that the purpose of the corporation is no longer limited to profit maximization, but includes a service to other constituents such as employees and customers).

to revoke or revise their issued charters and required regular charter renewal.⁹ Prior to the nineteenth century, corporations were viewed as quasi-public entities which owed their existence and rights to the state that chartered them.¹⁰ In the nineteenth century, the corporation began to be conceptualized through a distinctly private purpose and neoliberal lens.¹¹ Corporations—and by extension, corporate purpose—became less about being creatures of the state and providing a public benefit, and instead became more about being creatures of the market who had a private purpose of generating returns to their owner-shareholders.¹² This private purpose view of the corporation was taken to an extreme in 1970 when Milton Friedman flatly argued that the only “social responsibility of business is to increase its profits.”¹³

The private purpose/shareholder primacy view of corporate purpose has become the dominant norm and oft-recited frame for articulating the purpose of corporations.¹⁴ It enjoys widespread support among scholars and businesspeople. However, the profit maximization refrain often comes under attack on several fronts, chief among them being observations that (1) profit maximization is not required by corporate law, except in the specific instance when the corporation is for sale,¹⁵ (2) corporate statutes authorize charitable contributions by corporations and some permit directors to consider non-shareholder constituencies,¹⁶ and (3) invocation of the shareholder primacy norm seems to run contrary to the way corporate fiduciary duties are generally

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9. David Ciepley, *Beyond Public and Private: Toward a Political Theory of the Corporation*, 107 AM. POL. SCI. REV. 139, 139 (2013).
 10. *See id.*
 11. *See generally* William T. Allen, *Our Schizophrenic Conception of the Business Corporation*, 14 CARDOZO L. REV. 261 (1992) (discussing the competing private property and social institution views of the corporation). The “neoliberal” view places particular importance on the role of free market capitalism and individual liberties. *See* MILTON FRIEDMAN, *ESSAY ONE: NEO-LIBERALISM AND ITS PROSPECTS* (1951), *reprinted in* THE INDISPENSABLE MILTON FRIEDMAN: *ESSAYS ON POLITICS AND ECONOMICS* 3, 9 (Lanny Ebenstein ed., 2012); *see also* MIGUEL A. CENTENO & JOSEPH N. COHEN, *THE ARC OF NEOLIBERALISM* (2011), *available at* http://scholar.princeton.edu/cenmiga/files/annual_review_centeno_and_cohen_final_draft.pdf.
 12. *See* William W. Bratton & Michael L. Wachtler, *Shareholders and Social Welfare*, 36 SEATTLE U. L. REV. 489, 492–96 (2013).
 13. Milton Friedman, *The Social Responsibility of Business Is to Increase Its Profits*, N.Y. TIMES MAG., Sept. 13, 1970, *available at* <http://www.umich.edu/~thecore/doc/Friedman.pdf>.
 14. *See* D. Gordon Smith, *The Shareholder Primacy Norm*, 23 J. CORP. L. 277, 304 (1998) (“Although creation of the shareholder primacy norm did not occur until the 1830s, the foregoing evidence shows that the groundwork for adoption of the norm was laid well before that time.”); *see also* LYNN A. STOUT, *THE SHAREHOLDER VALUE MYTH: HOW PUTTING SHAREHOLDERS FIRST HARMS INVESTORS, CORPORATIONS, AND THE PUBLIC* 15–23 (2012).
 15. *See* *Revlon, Inc. v. MacAndrews & Forbes Holdings, Inc.*, 506 A.2d 173 (Del. 1986); *Lyondell Chem. Co. v. Ryan*, 970 A.2d 235 (Del. 2009); *see also* Lynn A. Stout, *Why We Should Stop Teaching Dodge v. Ford*, 3 VA. L. & BUS. REV. 163, 172 (2008) (“In sum, whether gauged by corporate charters, state corporation codes, or corporate case law, the notion that corporate law as a positive matter ‘requires’ companies to maximize shareholder wealth turns out to be spurious.”).
 16. *See* DEL. CODE ANN. tit. 8, § 122(9) (West 2013); 15 PA. CONS. STAT. ANN. § 1715 (West 2013).

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conceptualized, in that fiduciary duties are generally understood to be owed to the “corporation itself rather than primarily to shareholders.”¹⁷

The 2008 financial crisis lent new urgency and renewed interests to the question of whether the dominant norm of profit maximization *should* be the expressed purpose of the corporate form. After all, the post-2008 reality is replete with stories of government bailouts, massive declines in world financial assets to the tune of approximately \$50 trillion, home foreclosures, the shuttering of factories, high rates of unemployment, bankruptcies, tight credit markets, a slow economy, and an increasing wealth disparity.¹⁸

In the wake of the 2008 financial crisis, questions of whether the corporation has a social or public purpose reemerged with vigor. The counter-narrative of corporations *qua* social institution can be seen in the push for greater corporate sustainability and increased dialogue on corporate social responsibility (CSR). The word “sustainability” has many meanings, but in general speaks to the value of operating one’s business in a manner that “meets the needs of the present without compromising the ability of future generations to meet their own needs.”¹⁹ For for-profit corporations, sustainability is generally conceptualized as involving three dimensions of a firm’s operations and business—environmental, social, and governance.²⁰ While one would be hard-pressed to find a corporation that would argue against sustainability or CSR *per se*, notions of corporations having a social purpose or considerations of corporate sustainability resurrect hotly contested questions concerning the proper purpose of the corporation and under what circumstances profit can be sacrificed for sustainability.

While sustainability proponents have been building their case for why corporations should care about more than profits, this essay argues that the case for sustainability or CSR cannot be successfully made without engaging with the entrenched norm of shareholder primacy.²¹ This essay makes the modest yet underexplored claim that any attempt to amend, rewrite, interrogate, or, at the extreme, debunk the shareholder primacy/private purpose view of the corporation must successfully counter the “framing effect” and “framing bias” that shareholder primacy enjoys.

The concept of a “frame” and the related concept of “framing processes” have been widely studied in a variety of fields including sociology, linguistics, and cognitive psychology. While the specific focus of research differs within and across fields, framing research is generally concerned with “meaning construction” and

17. JEFFREY D. BAUMAN, CORPORATIONS LAW AND POLICY 492 (6th ed. 2007) (internal quotation marks omitted).

18. See *The Gap Widens, Again*, THE ECONOMIST (Mar. 10, 2012), <http://www.economist.com/node/21549944>.

19. U.N. WORLD COMM’N ON ENV’T & DEV., OUR COMMON FUTURE 41 (1987), available at <http://www.un-documents.net/our-common-future.pdf>.

20. See SUSTAINABILITY ACCT. STANDARDS BD., CONCEPTUAL FRAMEWORK OF THE SUSTAINABILITY ACCOUNTING STANDARDS BOARD (2013), available at <http://www.sasb.org/wp-content/uploads/2013/10/SASB-Conceptual-Framework-Final-Formatted-10-22-13.pdf>.

21. See, e.g., Einer Elhauge, *Sacrificing Corporate Profits in the Public Interest*, 80 N.Y.U. L. REV. 733 (2005); Lynn A. Stout, *Bad and Not-So-Bad Arguments for Shareholder Primacy*, 75 S. CAL. L. REV. 1189 (2002).

interpretation.²² Part II of this essay provides a general overview of framing theory and the framing effect.

Part III uses Dr. Seuss's *The Lorax* as an allegorical tool to give meaning, texture, context, and character to existing trade-offs and concerns present in the corporate purpose debate and to test the role that framing plays in meaning construction.²³ Moving from Seussian fantasy to present day reality, Part IV outlines the contours of the dominant shareholder primacy frame and the counter-norm of sustainability, and uses framing theory to (1) deconstruct the strength of the shareholder primacy frame and (2) offer preliminary thoughts on the usefulness of framing for the sustainability narrative. Part V offers concluding thoughts.

To be clear, this essay is not intended as an advocacy piece for overthrowing shareholder primacy. Instead, it recognizes that there continues to be multiple competing narratives on the purpose of the corporation, with the two main narratives being shareholder primacy on the one hand, and sustainability on the other. Shareholder primacy is the entrenched and dominant frame, while sustainability represents the evolving counter-narrative. This essay argues that framing theory has considerable currency in understanding the continued salience of shareholder primacy, and it invites conversation and experimentation on the utility of framing theory for sustainability proponents arguing for the counter-frame.

II. FRAMING THEORY, FRAMING EFFECT, AND FRAME ANALYSIS

Frames allow individuals or groups to “locate, perceive, identify, and label” events and occurrences, thus rendering meaning, organizing experiences, and guiding actions.²⁴ Frames often operate in four key ways, in that they (1) define a given problem, (2) diagnose the cause(s), (3) make a moral judgment, and (4) suggest solutions to address the problem.²⁵ Frames operate as part of a process for constructing meaning for participants *and* opponents.²⁶ Once a frame has been successfully constructed, when people encounter facts that do not fit the adopted frame, they discard these facts and keep the frame intact.²⁷

22. See, e.g., Robert D. Benford & David A. Snow, *Framing Processes and Social Movements: An Overview and Assessment*, 26 ANN. REV. SOC. 611 (2000); Amos Tversky & Daniel Kahneman, *The Framing of Decisions and the Psychology of Choice*, 211 SCI. 453 (1981); TEUN A. VAN DIJK, TEXT AND CONTEXT: EXPLORATIONS IN THE SEMANTICS AND PRAGMATICS OF DISCOURSE (1977); Anastasios Fotiou & Anna Triandafyllidou, *Sustainability and Modernity in the European Union: A Frame Theory Approach to Policy-Making*, 3:1 SOC. RES. ONLINE (1998).

23. This essay was written as part of a day-long symposium on *Exploring Civil Society Through the Writings of Dr. Seuss*, and is an off-shoot of a panel that examined the role of business in society using *The Lorax* as a frame.

24. ERVING GOFFMAN, FRAME ANALYSIS: AN ESSAY ON THE ORGANIZATION OF EXPERIENCE 21 (1974).

25. See JIM A. KUYPERS, BUSH'S WAR: MEDIA BIAS AND JUSTIFICATIONS FOR WAR IN A TERRORIST AGE 8 (2006).

26. See Benford & Snow, *supra* note 22, at 617.

27. See GEORGE LAKOFF, DON'T THINK OF AN ELEPHANT: KNOW YOUR VALUES AND FRAME THE DEBATE 17 (2004) (“To be accepted, the truth must fit people’s frames. If the facts do not fit a frame, the frame stays and the facts bounce off.”).

One particular aspect of research within sociology that is especially helpful in understanding the role of framing in the corporate purpose debate is research on framing in the social movement and collective mobilization context. The social movement literature on framing focuses on the “struggle over the production of mobilizing and counter-mobilizing ideas and meanings.”²⁸ According to noted sociologists Robert D. Benford and David A. Snow, meaning construction for social movement framing scholars involves “an active, processual phenomenon that implies agency and contention at the level of reality construction.”²⁹ This conception of framing offers analytical utility in understanding meaning construction in the corporate purpose context. First, corporate purpose framing is “active” because sustainability proponents are actively working to construct a counter-narrative; second, it is “processual” as it involves an interactive, dynamic and “evolving” process; third, it involves “agency” because it depends on the work of proponents who favor sustainability; and finally, it is “contentious” because, in the words of Benford and Snow, “it involves the generation of interpretive frames that not only differ from existing ones but that may also challenge them.”³⁰

In their research on framing, Benford and Snow note that collective action frames tend to serve an “action-oriented function” and have three “core” characteristics: they are diagnostic (they identify the problem and assign the blame); prognostic (they suggest solutions, strategies, and tactics to attack the problem); and motivational (they offer a call to arms or rationale for action).³¹ In addition, Benford and Snow note that collective action frames may have other “variable features” such as “inclusivity and exclusivity” (in general, the more inclusive the frame the more likely they are to operate as “master frames”) and level of resonance (in general, the degree of frame resonance depends on the frame’s perceived credibility and relative salience).³²

Benford and Snow note that the success of a frame is often affected by four main factors.³³ The first factor depends on the robustness, completeness, and thoroughness of the diagnostic, prognostic, and motivational characteristics of the frame.³⁴

The second factor is the relationship between the proposed frame and the larger societal belief system.³⁵ Benford and Snow argue that the frame must be “central” to be successful.³⁶ In other words, the frame cannot be of low hierarchical significance and salience within our larger belief system.³⁷ Similarly, if the framer links the frame to only

28. Benford & Snow, *supra* note 22, at 613.

29. *Id.* at 614.

30. *Id.*

31. *Id.* at 615.

32. *Id.* at 618.

33. *See id.*

34. *See id.*

35. *See id.*

36. *Id.* at 621.

37. *See id.*

one core belief or value that itself has limited salience within our larger belief system, then the frame has a high degree of being discounted and viewed as not credible.³⁸

The third factor is the relevance and instructiveness of the frame.³⁹ This third factor is linked to the second in that they both depend heavily on the frame's perceived level of resonance (level of resonance, as previously noted, is one of the variable features that affects frame success). In turn, two of the factors that affect a frame's level of resonance are its perceived credibility and "narrative fidelity."⁴⁰ Benford and Snow further disaggregate the concept of credibility into three separate bundles—"frame consistency, empirical credibility, and credibility of the frame articulators or claimsmakers."⁴¹ Thus, in terms of empirical credibility, Benford and Snow argue that the ability to provide "evidence of the claim embedded in the framing" impacts the frame's perceived relevance.⁴² Similarly, the concept of narrative fidelity refers to the frame's "cultural resonance," i.e., how well the frame resonates with existing cultural myths and narrations.⁴³ Not surprisingly, the higher the degree of narrative fidelity, the greater the salience of the frame, and hence the greater the chance of frame success.

The fourth factor is the point at which the frame emerges on the timeline of the current era.⁴⁴ The time's preoccupation with social change affects the frame's probability of success.⁴⁵

The work of psychologists Amos Tversky and Daniel Kahneman on the effects of frames is also helpful in understanding how recipients may receive and perceive a frame.⁴⁶ According to Tversky and Kahneman, a "framing effect" is said to occur when different descriptions of the same problem systematically lead to different decisions.⁴⁷ Specifically, individuals tend to make inconsistent choices, depending on how a problem is framed. The manner in which a problem is framed often affects how one perceives and responds to the problem.

A set of experiments on framing and the framing effect performed by Tversky and Kahneman demonstrate that changes in the formulation of decision problems cause significant shifts of preference.⁴⁸ Tversky and Kahneman define a "decision problem" in terms of "the acts or options among which one must choose, the possible

38. *See id.*

39. *See id.* at 619–20.

40. *Id.* at 621.

41. *Id.* at 619. The other factor that affects the "degree of frame resonance" is relative salience. *Id.*

42. *Id.* at 620.

43. *Id.* at 622.

44. *See id.*

45. *See id.*

46. *See* Tversky & Kahneman, *supra* note 22.

47. *Id.*

48. *See id.*

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outcomes or consequences of these acts, and the contingencies or conditional probabilities that relate outcomes to acts.”⁴⁹

Tversky and Kahneman conducted several empirical studies to test for framing effects. One of their oft-cited studies is that of the “Asian disease problem.”⁵⁰ Participants in the study were told the following:

Imagine that the U.S. is preparing for the outbreak of an unusual Asian disease, which is expected to kill 600 people. Two alternative programs to combat the disease have been proposed. Assume that the exact scientific estimate of the consequences of the programs are as follows⁵¹

Participants in the first group were given the following program options and asked, “Which of [these] two programs would you favor?”⁵²

1. If Program A is adopted, 200 people will be saved.
2. If Program B is adopted, there is 1/3 probability that 600 people will be saved, and 2/3 probability that no people will be saved.

A second group of participants were given the same cover story as the first group of participants and asked the same question, “Which of [these] two programs would you favor?”⁵³ However, they were presented with the following program options:

1. If Program C is adopted, 400 people will die.
2. If Program D is adopted, there is 1/3 probability that nobody will die, and 2/3 probability that 600 people will die.

Participants in the first group overwhelmingly chose Program A (72%), while only 28% chose Program B.⁵⁴ However, in the second group, participants overwhelmingly chose Program D (78%), whereas only 22% of participants chose Program C (which is the exact equivalent to Program A).⁵⁵

What could explain these seemingly incongruent results? Tversky and Kahneman posited that the discrepancy in choice between these parallel options was a result of framing.⁵⁶ In the first group, the majority choice (72%) is risk averse. The prospect of *certainly* saving 200 lives is more attractive than a risky prospect of equivalent expected value, i.e., having a 1/3 chance of saving 600 lives.⁵⁷ Conversely, in the second group, the majority choice (78%) of Program D is risk taking, i.e., the certain death of 400 people is less acceptable than the 2/3 chance that 600 people would

49. *Id.* at 453.

50. *See id.*

51. *Id.*

52. *Id.*

53. *Id.*

54. *See id.*

55. *See id.*

56. *See id.*

57. *See id.*

die.⁵⁸ From these results, Tversky and Kahneman posited that decision choices framed in terms of gains will often lead to risk-averse outcome preferences, while choices involving loss will often lead to risk-taking outcome preferences.⁵⁹ In sum, the way the problem was presented had a systematic effect on how people perceived the problem and responded to the problem.

Some examples of popular frames identified in the framing literature include the Bush administration's frame of the "War on Terror"; the abortion debate's use of "pro-choice" versus "pro-life"; and political slogans such as "Power to the People" and "We Shall Overcome." In terms of the "War on Terror" frame, cognitive linguist George Lakoff noted that the Bush administration initially responded to the September 11, 2001 attacks by referring to them as a crime, but the administration soon changed its language to "War on Terror."⁶⁰ According to Professor Lakoff, the difference between these two frames is in the implied response. The frame "crime" invokes thoughts of bringing criminals to justice, putting them on trial, and sentencing them, whereas the frame of "war" invokes images of enemies, terrorists, military action, and war powers of government.⁶¹

Similarly, in terms of the abortion debate, those who oppose abortion use more tempered language and describe themselves as "pro-life"—who could argue against life? Conversely, those in favor of allowing abortion, carefully avoid words such as "killing" or "death," and instead describe themselves as "pro-choice." The term "pro-choice" harks back to American values of liberalism and freedom and, again on the face, invites agreement rather than dissent.

Framing theory also suggests that slogans such as "We Shall Overcome," "Power to the People," and more recently, President Obama's "Yes We Can," are effective because they "provid[e] a conceptual handle or peg for linking together various events and issues."⁶² Benford and Snow theorize that such slogans serve a "frame amplification" function by highlighting and linking the given issue to a larger frame or value system of which the narrative is a part.⁶³

In sum, framing theory holds that the manner in which a problem and its related solutions are presented will in turn define and limit the manner in which the problem is perceived and addressed. Establishing the frame limits the resulting debate by setting the vocabulary, narrative, and metaphors through which participants *and* opponents comprehend and discuss a given issue.

58. *See id.*

59. *See id.*

60. *See* LAKOFF, *supra* note 27, at 52–68.

61. *See id.*

62. Benford & Snow, *supra* note 22, at 623.

63. *Id.* at 624.

III. SEUSS'S *THE LORAX*

Whether consciously or unconsciously, Seuss engaged in framing on both a micro level and a meta level in many of his stories, and *The Lorax* is no exception. In *The Lorax*, through word choice, color, and character names, Seuss was able to effectively frame his narrative and invite the reader to reach his intended outcome and conclusion. First, Seuss submerges the reader in a vivid dream-like world of techno-colored pastels that with each turn of the page become transformed into muddy, murky, dark depictions that reflect the Pyrrhic victory of the Once-ler's business at the expense of the Lorax's habitat.

As the story goes, one day the Once-ler happened upon a fantastical land that was the home of the Lorax and some other creatures—"Brown Bar-ba-loots," "Swomee-Swans," and "Humming Fish."⁶⁴ Seuss paints a picture of happy coexistence and we are told that the inhabitants of this land spend their days blissfully romping around and frolicking among "Truffula" trees, or, in the case of the Humming Fish, happily swimming in crystal clear water.⁶⁵ According to Seuss, the Once-ler was enthralled with the Truffula trees, and in particular the tufts of these trees:

But those *trees!* Those *trees!*
 Those *Truffula trees!*
 All my life I'd been searching for trees such as these.
 The touch of their tufts
 Was much softer than silk.
 And they had the sweet smell
 Of fresh butterfly milk.⁶⁶

But, instead of just admiring the trees, the Once-ler felt compelled to do something with them and so he "unloaded [his] cart" and chopped down one of the trees.⁶⁷ And here is where the story gets interesting—to his credit, the Once-ler did not simply chop down the tree for the sake of chopping the tree.⁶⁸ Instead, he took the soft tuft of the tree and, "with great skillful skill and with great speedy speed, [he] . . . knitted a Thneed."⁶⁹ At this point we are introduced to the Lorax who pops out of the stump of the felled tree and angrily asks the Once-ler about the thing the Once-ler has made out of *his* "Truffula tuft."⁷⁰ The Once-ler explains that "[t]his

64. See *THE LORAX*, *supra* note 4.

65. See *id.*

66. *Id.*

67. *Id.*

68. See *id.*

69. *Id.*

70. *Id.*

thing is a Thneed” and that a “Thneed’s a Fine-Something-That-All-People-Need!”⁷¹ The Once-ler proceeds to elaborate on the multiple uses of the Thneed:

It’s a shirt. It’s a sock. It’s a glove. It’s a hat.

But it has *other* uses. Yes, far beyond that.

You can use it for carpets. For pillows! For sheets!

Or curtains! Or covers for bicycle seats!⁷²

The Lorax responds with skepticism that the Thneed has any value to anyone, but just then a chap in a suit came along and he “happily bought [the Thneed] for [\$3.98].”⁷³ Once the Once-ler realized that the Thneed had value, he developed a market for the Thneeds, rapidly expanded his production (he went from chopping one Truffula tree at a time to chopping four at a time), brought in outside labor in the form of family help, and broadened his distribution networks (“[We were] shipping them forth to the South! To the east! To the west! To the north!”).⁷⁴

On the positive side, the Once-ler was making tremendous profits (“Oh! Baby! Oh! How my business did grow!”); he contributed to overall job growth (to wit, he went from operating as a sole proprietor to hiring several new employees); and he created a whole new commercial industry (that of Thneeds).⁷⁵ By today’s standards, he would have been viewed as a business entrepreneur and part of the innovation economy, not just for the creation of Thneeds, but also for his other various inventions such as the “SUPER AXE HACKER” and his “RADIO PHONE”; and from a macro view one could reasonably argue that he positively contributed to the overall GDP.⁷⁶ In fact, one might even ponder whether the Once-ler’s Thneed business is in fact the very type of business that President Obama and Congress had in mind with the enactment of the 2012 Jumpstart Our Business Startups (JOBS) Act.⁷⁷ After all, as a small business with presumably less than 1500 employees and less than \$1 billion in revenue, the Thneed business would seem to satisfy many of the Act’s requirements.⁷⁸

These benefits, however, came at the cost of the Lorax’s environment. In other words, the Once-ler’s Thneed business had several negative externalities. For example, the decimation of the Brown Bar-ba-loot population whose diet consisted of Truffula

71. *Id.*

72. *Id.*

73. *Id.*

74. *Id.*

75. *Id.*

76. *See id.*

77. Jumpstart Our Business Startups (JOBS) Act, Pub. L. No. 112-106, 126 Stat. 306 (2012) (codified as amended in scattered sections of 15 U.S.C.).

78. Staying on message in this essay requires that I suspend further thought of how the JOBS Act would affect the Once-ler’s business. However, considerations of businesses like the Thneed business in the context of the JOBS Act raise the interesting policy question of whether the JOBS Act was a missed attempt to further sustainability efforts.

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fruit, the “glumping” of the Humming Fish’s pond from the Thneed factory, and “smogulous smoke” which led to respiratory difficulties for the Swomee-Swans.⁷⁹

The Lorax repeatedly tried to explain to the Once-ler that the Once-ler’s activities were unsustainable.⁸⁰ Interestingly enough, initially the Once-ler was somewhat sympathetic to the Lorax, but in the end his business model apparently dictated profit at all costs.

I, the Once-ler, felt sad
as I watched them all go.
BUT . . .
business is business!
And business must grow
regardless of crummies in tummies, you know.⁸¹

The last time the Lorax came to see the Once-ler to once again convince him to change the way he was conducting his business, the Once-ler’s sympathy was replaced with anger.⁸²

I yelled at the Lorax, “Now listen here, Dad!
All you do is yap-yap, and say, ‘Bad! Bad! Bad! Bad!’
Well, I have my rights, sir, and I’m telling *you*
I intend to go on doing just what I do!
And for your information, you Lorax, I’m figgering
on biggering
and BIGGERING
and BIGGERING
and BIGGERING,
turning MORE Truffula trees into Thneeds
which everyone, EVERYONE, *EVERYONE* needs!”⁸³

Thus, the Once-ler and the Lorax had reached an impasse. Almost instantaneously after this last conversation they heard a “loud whack,” a “sickening smack” of the last Truffula tree being chopped down.⁸⁴ At this point the Lorax’s environment is completely ravaged, and with no more Truffula trees to chop, the Thneed factories

79. THE LORAX, *supra* note 4.

80. *See id.*

81. *Id.*

82. *See id.*

83. *Id.*

84. *Id.*

are forced to close.⁸⁵ It is at this point that the Lorax gives up.⁸⁶ We are told that he lifts himself up and disappears through a hole in the smog, leaving a rock inscribed with one word: “UNLESS.”⁸⁷ The Once-ler is left to stare at this word “unless” and to ponder its meaning for several years until the little boy to whom he is telling the story arrives.⁸⁸ In re-telling the story, it suddenly occurs to the Once-ler what the Lorax might have intended by the word “unless.”⁸⁹ At that moment, the Once-ler commands the little boy to

Catch! . . .

[And then he] let[] something fall.

[It was] a Truffula Seed.

[The] last one of them all!⁹⁰

The story ends with the Once-ler giving some sage advice to the little boy, telling him to plant the Truffula seed and “[t]reat it with care,” to “[g]row a forest” and “[p]rotect it from axes that hack,” and then maybe the “Lorax and all of his friends may come back.”⁹¹

While the story of *The Lorax* may be read as a simple children’s fable, several parallels can be drawn between it and today’s business environment. For example, both grapple with issues of short-termism versus long-term value creation; the challenge of harnessing innovation for both profits and the broader good (in today’s world, often times short-handed as the “triple bottom line”);⁹² and with the need for developing a business model that in the words of Marjorie Kelly, author of *Owning Our Future*, is “generative” rather than “extractive.”⁹³ Through the word “unless,” Seuss leaves us with an opportunity to imagine and rewrite the ending of the story.

Applying Benford and Snow’s research on collective action frames, Seuss was arguably successful in constructing a narrative frame that has the three core characteristics of being diagnostic, prognostic, and motivational. Seuss’s story diagnoses the problem as being the decimation of the Truffula forest because of the Once-ler’s greed and short-sightedness. In terms of the prognostic, Seuss intimates potential strategies and tactics for attacking the problem, most specifically the solution

85. *See id.*

86. *See id.*

87. *See id.*

88. *See id.*

89. *See id.*

90. *Id.*

91. *Id.*

92. The term “triple bottom line” refers to a corporation’s financial, social, and environmental performance over a given period of time. More informally, it is sometimes said to consist of the “three Ps”: profit, people, and planet. *See generally Triple Bottom Line*, THE ECONOMIST (Nov. 17, 2009), <http://www.economist.com/node/14301663>.

93. MARJORIE KELLY, OWNING OUR FUTURE: THE EMERGING OWNERSHIP REVOLUTION 11–12 (2012).

of replanting the trees to counter their chopping (“Plant a new Truffula. Treat it with care . . .”).⁹⁴ Finally, in terms of the third core characteristic, *The Lorax* ends with a motivational call to arms, which contains, in Benford and Snow’s terms, “action-oriented directives.”⁹⁵ The Once-ler declares: “UNLESS someone like you cares a whole awful lot, nothing is going to get better. It’s not.” He implores the boy to “[g]row a forest . . . [p]rotect it from axes that hack . . . [and then] the Lorax and all of his friends may come back.”⁹⁶ The penultimate directive occurs in the concluding lines of the story when the Once-ler directs the young boy to “catch” the last of the Truffula seeds.⁹⁷ The “catch” is actual because the young boy appears to catch the last Truffula seed, but it is also figurative because it represents a transfer of rights and power from the Once-ler to the new generation represented by the young boy.

The second factor that Benford and Snow identify as affecting the success of a frame is the degree to which the frame relates to a larger societal belief system.⁹⁸ In *The Lorax*, through character names, actions, and interactions, Seuss constructed a narrative that linked the story to broader values of environmental preservation, respect, and the need for coexistence—to name a few. For example, some surmise that the title “Lorax” is not merely a cute or accidental word to describe our mossy bossy protagonist, but rather an anagram for “LOWer youR AX.”⁹⁹ Similarly, the word “Thneed” might be an anagram for “The Needs” (which, judging from the dialogue between the Lorax and the Once-ler on the use of the Thneeds, leaves the reader to question whether chopping down the Truffulas really served anyone’s needs).¹⁰⁰ Additionally, the felled “Truffula trees” immediately call to mind precious and exotic truffles.

In terms of the characters’ actions and interactions, the Lorax uses language that is polite and that signals that he is *selfless* and is merely seeking to protect what he views as the rights of the *other* inhabitants in the forest (“I am the Lorax . . . I speak for the trees”; “I’m also in charge of the Brown Bar-ba-loots”; “[P]lease pardon my cough”; and “My poor Swomee-Swans . . . why, they can’t sing a note!”).¹⁰¹ Conversely, the Once-ler is portrayed as a *selfish*, rude, and shady character who is merely seeking to protect *his* own profits and interests. For example, the Once-ler tells the Lorax to “Shut up”; the Once-ler lives in a “Lerkim” and seems to only communicate vis-à-vis a “snergelly hose”; Seuss describes him as the “dirty old Once-ler,” and, perhaps most telling, even though the Once-ler witnessed first hand what he was doing to the

94. THE LORAX, *supra* note 4.

95. Benford & Snow, *supra* note 22, at 614.

96. THE LORAX, *supra* note 4.

97. *See id.*

98. *See* Benford & Snow, *supra* note 22.

99. Heinz Insu Fenkl, *The Secret Alchemy of Dr. Seuss*, ENDICOTT STUDIO J. MYTHIC ARTS (2001), <http://www.endicott-studio.com/rdrm/forseus.html>.

100. *See id.*

101. THE LORAX, *supra* note 4.

Lorax's environment he is intent that "business is business! And business must grow."¹⁰² In sum, Seuss's story seems carefully constructed to activate a specific value frame in the reader. The story is highly charged and value laden without being overtly didactic or confrontational. For Seuss, the substantive message of sustainability was constructed, conveyed, and reinforced by invoking and anchoring the story of the Lorax to a broader set of societal values that compelled the reader to see *and* feel the Lorax's point of view and wish that he had never had to hoist himself and take leave of his forest.¹⁰³

Benford and Snow's third factor of relevance and instructiveness can also be applied to *The Lorax*.¹⁰⁴ In terms of the credibility of the frame articulator, *The Lorax* was Seuss's thirtieth book.¹⁰⁵ By the time Seuss wrote *The Lorax*, he was well established as a preeminent children's author and had already achieved wide acclaim for a number of his books, such as *The Cat in the Hat* (1957) and *Green Eggs and Ham* (1960). Seuss was a well-regarded and known entity, and thus his message and his construction of meaning, in the Benford and Snow construct, would have been perceived as "more credible [and] generally more persuasive" by his intended audience.¹⁰⁶ Similarly, in terms of narrative fidelity, the story of the Lorax resonates with certain cultural narratives and "myths" that existed at the time of publication and continue to exist today (narratives such as preservation, sustainability, and anti-pollution, which, as discussed below, each became more enmeshed in the national consciousness during the period in which *The Lorax* was published).

Benford and Snow's fourth factor—timing—also helps to explain the strength of the frame Seuss constructs in *The Lorax*.¹⁰⁷ In 1970, the year before *The Lorax* was published, the Clean Air Act Amendments¹⁰⁸ and the National Environmental Policy Act¹⁰⁹—which established the Environmental Protection Agency and the Council on Environmental Quality—were passed. In addition, the first Earth Day was April 22, 1970,¹¹⁰ and Green Peace, the environmental activist group, was founded in 1971.¹¹¹ *The Lorax* thus emerged at a point in history that meshed with the story's framing of the sustainability problem, which in turn enhanced the

102. *See id.*

103. *See* THE LORAX, *supra* note 4.

104. *See* Benford & Snow, *supra* note 22.

105. *See* *The Lorax*, WIKIA, http://seuss.wikia.com/wiki/The_Lorax (last visited Mar. 13, 2014).

106. Benford & Snow, *supra* note 22, at 621.

107. *See id.*

108. Clean Air Act Amendments of 1970, Pub. L. No. 91-604, 84 Stat. 1676 (1970) (codified as amended at 42 U.S.C. §§ 7401-7616 (2012)).

109. National Environmental Policy Act of 1969, Pub. L. No. 91-190, 83 Stat. 852 (codified at 42 U.S.C. §§ 4321-4370f (2012)).

110. *See Earth Day: The History of A Movement*, EARTH DAY NETWORK, <http://www.earthday.org/earth-day-history-movement> (last visited Mar. 13, 2014).

111. *See Amchita: The Founding Voyage*, GREENPEACE INT'L (May 15, 2007), <http://www.greenpeace.org/international/en/about/history/amchitka-hunter/>.

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resonance and success of the frame. Thus, from a framing standpoint, Seuss's *The Lorax* has the key elements of frame success.

Part IV turns the framing lens from an examination of Seuss's work to an examination of meaning construction in the corporate purpose debate. Specifically, Part IV applies framing theory to (1) deconstruct the success of the shareholder primacy frame of corporate purpose and (2) identify potential challenges and opportunities for the sustainability narrative as it seeks to construct a contested and alternative meaning of corporate purpose.

IV. FRAMING THEORY APPLIED: DECONSTRUCTING SHAREHOLDER PRIMACY AND UNDERSTANDING THE CHALLENGES OF ANY COUNTER-FRAME

The dominant narrative of the role of corporations is that corporations should be run to maximize profit for their shareholders. Shareholders are often viewed as the “owners” of the firm—they contribute capital, and they are generally the only stakeholders who are empowered with a right to vote.¹¹² According to this dominant view of corporations, directors and officers are agents of the shareholders, and managers should work toward maximizing the wealth of shareholders.¹¹³ This view is short-handedly described as the “shareholder primacy” view of the corporation.¹¹⁴ In addition to the dominant narrative of shareholder primacy, alternate narratives have been proposed, such as (1) the “Social Purpose” narrative, which argues that corporations are part of a broader society and are granted corporate personhood from society by way of the corporate charter, and as such corporations are not free to ignore society's needs and the externalities generated from corporate activities; (2) the “Stakeholder” narrative, which argues that the corporation depends on various stakeholders to function and therefore the corporation should be more than merely a vehicle for enhancing shareholder wealth; and (3) the “Political” narrative, which views the corporation as being the result of a political choice based on the fear of concentrating power in government.¹¹⁵ All of these narratives provide reasonable alternative explanations of the role of the corporation, but to date none has been as successful as shareholder primacy in achieving that enviable balance of having normative appeal, supported by a large body of empirical data and academic scholarship, and providing a normative guide star that is easily operationalized.

112. See Smith, *supra* note 14, at 299.

113. See *id.* at 278.

114. See *id.*

115. See BAUMAN, *supra* note 17, at 75–76, 489–91.

A. Explaining the Primacy of the Shareholder Primacy Frame

Looking at the four main factors that Benford and Snow say contribute to the success of a frame, one can see why the shareholder primacy frame has triumphed. The shareholder primacy view exhibits all the elements of the first Benford and Snow factor: the robustness, completeness, and thoroughness of the framing effort.¹¹⁶ First, it clearly diagnoses the problem—shareholders are the “owners” of the firm, but their ownership rights are separated from their ability to control the firm. This can lead to unfettered managerial discretion, as managers are prone to act in a “self-interested” way, which “harms” the shareholders’ interests. Second, shareholder primacy employs prognostic framing by suggesting several concrete solutions, which all neatly fall under the banner of lessening “agency costs.” These solutions include fiduciary duties, enhanced disclosure and reporting obligations, enhanced shareholder “rights,” and increased oversight of boards and managers. Third, the shareholder primacy frame has an embedded motivational frame and is replete with calls to action.¹¹⁷ Shareholder “rights” proponents often rally support by calling attention to the “greed” of corporate managers, the “excesses” of executive compensation, and the “lack of power” of shareholders, who are the owners.

Applying Benford and Snow’s second factor, one can see that the words employed by proponents of the shareholder primacy view resonate strongly within the larger societal belief system.¹¹⁸ For example, proponents of shareholder primacy describe shareholders as “owners.” This notion of ownership taps into a deeply held value in American society of the benefits of acquiring property, having a homestead, and the general ability and freedom to exercise dominion over something that one owns (within the confines of law). Similarly, shareholder proponents use terms such as “shareholder rights” and “shareholder democracy.” The values of “rights” and “democracy” are near universal truths and are held as ideals that should not be tampered with. Other linguistic choices of shareholder primacy proponents include calls for increased “transparency,” “governance,” “independence,” and “accountability,” all of which tap into most people’s desire to live in a stable and law-abiding environment, where people bear responsibility for their actions, and where those in charge do not exercise imperialistic or clandestine power. Thus, the linguistic choice and rhetorical techniques employed by the shareholder primacy movement have been extremely effective because they speak to widely held values in our society. The language choice of the shareholder primacy movement inherently meshes with our broader societal values and belief system.¹¹⁹ This heightens the apparent salience of the shareholder primacy story and makes it much harder to discount or discredit.

Benford and Snow’s third factor of connecting a frame’s success to its perceived relevance and instructiveness is also helpful in explaining the success of the shareholder

116. See Benford & Snow, *supra* note 22.

117. See *id.* at 617.

118. See *id.*

119. See *id.*

primacy frame.¹²⁰ One of the factors that Benford and Snow note as adding to the perceived relevance and instructiveness of a given frame is whether the substance of the frame is supported by empirical data.¹²¹ Of all the stories told of corporate purpose, shareholder primacy enjoys the most extensive body of empirical scholarship, such that those proposing anything other than shareholder primacy face a substantial challenge in the face of a vast body of empirical work. In addition, shareholder primacy is highly instructive because it clearly instructs corporate managers, shareholders, policymakers, and the courts as to what it is the firm should be doing and how we can judge the firm's success in this regard—it dictates profit maximization and shareholder wealth, and it has a seemingly objective benchmark for measuring this achievement (stock price and its attendant financial computations).¹²²

Evidence of shareholder primacy's perceived relevance and instructiveness can be seen in almost every aspect of corporate law's topography. Courts routinely invoke the language of shareholder primacy to explain their decisions, corporations automatically default to the shareholder primacy frame to explain their strategies and decisionmaking, stock exchange policy statements and listing requirements invoke the shareholder primacy frame, and the media covering corporate governance issues rely on the language of shareholder primacy to tell their stories.¹²³ Furthermore, perhaps more revealing of the perceived salience of the shareholder primary frame is that even those who *object* to the narrative of shareholder primacy employ shareholder primacy's language and frame to explain their objection.¹²⁴ This last observation suggests that shareholder primacy is in Benford and Snow's construct, operating as part of a process for constructing meaning for participants *and* opposers.¹²⁵

Finally, shareholder primacy gathered steam in the 1970s at a time when capitalism was experiencing increased support. Thus, in terms of Benford and Snow's fourth "time and era" factor, shareholder primacy emerged at a point in history when it was poised to truly take off.

In sum, when examined through a framing theory paradigm, the staying power and prevalence of shareholder primacy can be objectively explained. Concomitantly, it also exposes potential challenges that counter-stories of corporate purpose face in amending or eradicating the shareholder primacy norm.

120. *See id.*

121. *See id.* at 620–21.

122. *See generally* Jill E. Fisch, *The Trouble with Basic: Price Distortion After Halliburton*, 90 WASH. U. L. REV. 895 (2013) (discussing the limits of stock price); Lynn A. Stout, *Are Stock Markets Costly Casinos? Disagreement, Market Failure, and Securities Regulation*, 81 VA. L. REV. 611 (1995) (exploring an alternative model of stock trading).

123. *See* Smith, *supra* note 14; Stout, *supra* note 15. *See, e.g., Our Mission & Values*, PEPSICO, <http://www.pepsico.com/Purpose/Our-Mission-and-Values> (last visited Mar. 13, 2014).

124. *See, e.g., Corporate Social Responsibility (CSR)*, EUR. COMM'N, http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/index_en.htm (last visited Mar. 13, 2014).

125. *See* Benford & Snow, *supra* note 22.

B. Challenges Facing the Sustainability Counter-Frame

As referenced in Part I, one such counter-story that seeks to tell a more comprehensive story of the purpose of corporations, beyond the profit maximization narrative, is the story of sustainability. There has been an increased call from some investors, policymakers, consumers, the media, and even some corporations themselves for corporations to be more “socially responsible” and to work toward “sustainability.” These calls are by no means new, but a confluence of events has emerged that makes the time ripe for the sustainability movement to take hold. These include the 2008 financial crisis, which caused even staunch supporters of shareholder primacy to question the wisdom of pursuing profit as a guiding star; the rise of the socially responsible investor; the growth in impact investing; the increase in alternative business forms, such as benefit corporations and social purpose corporations, which may come to present competitive business forms for those seeking to achieve the triple bottom line; and a changing workforce and market make-up as Generation X and Baby Boomers become increasingly replaced by Generation Y and Generation D, who, according to studies, care more deeply about fairness, equality, and the greater societal good. In all, this seems like the time for the sustainability movement to “make a go at it.”

Indeed, sustainability proponents have been incrementally developing their framework and language, such that now there are sustainability metrics and benchmarks, sustainability investment goals, sustainability reports and integrated reports, and language and terms to describe what they are doing such as “triple bottom line,”¹²⁶ “creating shared value,”¹²⁷ “conscious capitalism,”¹²⁸ and “markets for good.”¹²⁹ It is in this development of language, common values, and value hierarchies that framing theory can be helpful, especially because the sustainability movement is constrained by the established norm of shareholder primacy.

Applying Benford and Snow’s construct to assess the success of the sustainability narrative as a frame, the first inquiry is whether the narrative has the necessary robustness, completeness, and thoroughness, which in turn can be assessed by asking whether the frame has diagnostic, prognostic, and motivational elements.¹³⁰ In terms of the diagnostic element, the sustainability narrative has arguably made overtures in identifying the problem (profit is limited by finite resources), but it has arguably done a weaker job of assigning the blame. Who is to be blamed for this problem? Business? Capitalism? Corporate managers? Consumers? All of us? Who? When contrasted with shareholder primacy’s diagnostic characteristics (clear problem: separation of ownership from control; clear blame: managers), the diagnostic

126. See, e.g., Jed Emerson, *Triple-Bottom Line Investing: Balancing Financial, Social and Environmental Returns*, COMMUNITY INVESTMENTS, Summer 2008.

127. See, e.g., Michael E. Porter & Mark R. Kramer, *Creating Shared Value*, HARV. BUS. REV., Jan. 2011.

128. See, e.g., JOHN MACKAY, CONSCIOUS CAPITALISM: LIBERATING THE HEROIC SPIRIT OF BUSINESS (2013).

129. See, e.g., MARKETS FOR GOOD, <http://www.marketsforgood.org/> (last visited Mar. 13, 2014).

130. See Benford & Snow, *supra* note 22.

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characteristics of the sustainability frame appear less succinct and direct, which in the framing construct will weaken the robustness of the frame. Similarly, the prognostic framing of sustainability is developing, but it is not unified. The necessary suggested solutions, strategies, and tactics proposed to attack the problem depend in large part on developing alternative metrics and measurable deliverables to counter shareholder primacy, and these are currently under construction.¹³¹ While Benford and Snow's diagnostic and prognostic framing construct reveals potential points of weakness in the sustainability narrative, its third element of motivational framing is where the sustainability narrative has shown its strength. Sustainability proponents have a clear call-to-arms message of acting now to secure the future of corporations and the future of society.

In addition to assessing the robustness, completeness, and thoroughness of the emerging sustainability frame, an examination of how that frame meshes with society's larger belief system also reveals a point of departure between sustainability and shareholder primacy. As Benford and Snow note, frame success is directly correlated with hierarchical significance and salience within our larger belief system.¹³² Shareholder primacy employs language and leverages norms such as "rights," "democracy," and "transparency" that have high hierarchical significance along several dimensions, including moral, social, and political. Thus, as discussed above, because of its linguistic choices, framing theory would predict that shareholder primacy has a high level of resonance and, indeed, that seems to be the case. Sustainability's language consists of terms such as "corporate social responsibility," "corporate sustainability," "triple bottom line," "patient capital," "long-term value creation," "creating shared value," and, more recently, "conscious capitalism." While some of sustainability's language arguably taps into broader societal values (for example, "patient capital," "corporate social responsibility," and "conscious capitalism" all invoke actions that we value—patience, responsibility, and conscientiousness), others such as "triple bottom line" do not seem to link or tap into any wider societal values or belief systems and thus, from a framing standpoint, suffer from relatively low salience. In addition, sustainability's language has not yet achieved the multi-dimensionality and universality of shareholder primacy's invocation of "rights" and "democracy." Thus, in framing terms, the perceived significance of sustainability's message may be impeded at the outset by certain language choices, which either fail to link to broader societal values or belief systems, or link to some societal value that

131. See generally IIRC Publishes "Consultation Draft" on Integrated Reporting, DELOITTE: IAS PLUS, Apr. 15, 2013, available at <http://www.iasplus.com/en/news/2013/04/iirc>. Similarly, the Sustainability Accounting Standards Board (SASB) "provides standards for use by publicly-listed corporations in the U.S. in disclosing material sustainability issues for the benefit of investors and the public." SUSTAINABILITY ACCT. STANDARDS BD., <http://www.sasb.org/> (last visited Mar. 13, 2014). These standards are designed for disclosure in mandatory filings to the Securities and Exchange Commission (SEC), such as the Form 10-K and 20-F. *Id.* For example, in 2013 SASB developed a set of provisional sustainability standards for health care companies. See *SASB Releases Sustainability Accounting Standards for Health Care Sector*, ACCT. TODAY (July 31, 2013), http://www.accountingtoday.com/debits_credits/SASB-Releases-Sustainability-Accounting-Standards-Health-Care-Sector-67610-1.html.

132. See Benford & Snow, *supra* note 22, at 621–22.

is of relatively limited salience within our larger belief system and, as such, the frame has a high probability of being discounted.

In terms of relevance, instructiveness, and the availability of empirical credibility, sustainability clearly lags behind shareholder primacy. This, however, is to be expected. Shareholder primacy enjoys an intellectual head start that will take years to match and has enjoyed a significant period without significant opposition, which allowed it to develop and establish itself as an entrenched norm.

From a framing standpoint, perhaps the most promising indicator of sustainability's potential for success is that the resurgence of sustainability as a narrative to be inculcated in corporate purpose is developing at a time when "existing preoccupations with social change" favor the sustainability frame's probability of success.¹³³ For example, the sustainability resurgence is developing in a post-2008-financial-crisis environment in which academics, the media, and society at large seem willing to wrestle with the trade-offs of encouraging firms to adopt a maxim of profit maximization. Similarly, the entrance of Generation Y, and soon to follow, Generation D, bodes well for the sustainability movement. Studies suggest that both generations care deeply about sustainability issues, environmental protections, equality, and fairness.¹³⁴ Finally, the growth in so-called "impact investors" and the rise of hybrid corporate forms that are explicitly tinged with a social purpose—for example, benefit corporations and social purpose corporations—may prove disruptive to the traditional profit maximization narrative that has pervaded corporate thinking. Thus, the sustainability frame seems to be emerging at a point in the corporate history timeline that is particularly suited to its message.

The challenges for sustainability are convincing shareholder primacy skeptics and believers of why sustainability's story offers a better choice for corporations and society, and developing a sustainability model that can be readily understood and operationalized. Both of these are in the works, but viewing sustainability through a framing paradigm highlights certain points of vulnerability that weaken the resonance of the sustainability narrative. For example, framing theory would suggest that more care be given to language choice and the deliberate use of language that links to larger societal values and beliefs. Therefore, rather than using "insider" language like "triple bottom line" or "impact agenda," framing theory would push toward enhanced universality and resonating normativity in language choice. From a framing perspective, terms such as "stewardship" and "creating shared value" arguably achieve the type of universality and frame amplification which framing research would predict would enhance the frame's success. These terms link to values of relatively high hierarchical significance including responsibility, trust, and equality.

Similarly, framing theory is instructive in understanding why the challenge for sustainability proponents is not merely about producing empirical support. It is also about convincing others why they should discard the shareholder primacy frame. Of

133. *See supra* Part II.

134. *See* Katherine Reynolds Lewis, *How to Groom Gen Y to Take the Company Reins*, CNNMONEY (Dec. 1, 2011, 10:24 AM), <http://management.fortune.cnn.com/2011/12/01/grooming-generation-y-leaders/>.

particular importance in this regard are studies that show that once a frame has been successfully constructed, when people encounter facts that do not fit the adopted frame, they discard these facts and keep the frame intact rather than discard the frame.¹³⁵ Thus, producing evidence that cuts against shareholder primacy may not be enough to influence or overcome the shareholder primacy frame. Finally, the push for sustainability is occurring at a point in history that appears to be receptive to the message of sustainability, which may offer a foothold for sustainability to become an established and competing frame for the story of corporate purpose. In the language of *The Lorax*, the sustainability movement may be at the moment of “Catch!”

V. CONCLUDING THOUGHTS

Questions about the corporation’s purpose and its role in society are by no means new. The story of profit maximization and shareholder primacy is the one that has succeeded in becoming the dominant narrative for explaining and understanding the role of business. This essay employed framing theory to unpack and suggest a non-economic explanation for the robustness and staying power of the shareholder primacy norm. Relatedly, this essay explored the challenges faced by proponents of anything other than a shareholder primacy narrative and evaluated the usefulness of framing theory in this regard.

Like many Seuss books, this essay is intended as a continuing conversation. The conversation started with a short blog post, which then evolved into a symposium on the values of a civil society and, of particular interest to this essay, the values that businesses should exhibit in civil society.¹³⁶ *The Lorax* lends itself to addressing these issues and at least two takeaways emerge. First, in general, the construction of meaning and how we perceive choices is affected by how we frame our story and solution. Second, we all have agency in our roles as shareholders, directors, corporate managers, consumers, employees, and members of society. We face choices, and questions about corporate purpose reveal just how complex and interconnected these choices are. For the Lorax and for us, it is a choice of whether corporations want to be memorialized in history as locusts or honey bees. Locusts are notorious for ravaging their environment, while honey bees remake and augment their environment by using their talents to ensure the success of their colony and the success of those around them.

Rationally speaking, why wouldn’t the answer be honey bees?

(See attached Addendum)

135. See LAKOFF, *supra* note 27, at 17.

136. See Tamara Belinfanti, *Corporations in a Lorax State*, HUFFINGTON POST (Mar. 7, 2012, 3:31 PM), http://www.huffingtonpost.com/tamara-belinfanti/corporate-responsibility_b_1322136.html.

ADDENDUM:

I am the Lorax who speaks for the trees
So nice to meet you Once-ler, sit down if you please
Now I hear you have a great business that you'd like to grow
But you're destroying the environment and you wish it wasn't so
If I understand you correctly, your business is about THNEEDS
And according to your website, THNEEDS are things that all people need
Your year to year growth and metrics look stellar
But your ESG scorecard reveals you are not being clever...

Wait a minute Lorax, you don't comprehend
You're a TRUFFULA-lover with no business acumen
So long as we're meeting our earnings projection
Our shareholders will continue to shower us with affection

Hold up there my friend, that's where you are wrong
Shareholder primacy does not mean to hell with everyone
I, the Lorax, respectfully disagree
Profit is not mutually exclusive with Sustainability
What's more, we now live in a society that's interconnected
Your actions and reactions all get projected
Come out of your LERKIM and listen to the news
You have to play this smart or for sure you will lose
Stop berating those who hold an opposing view
And ask yourself what can I do?

You're an innovative chap
Who invented the SUPER AXE HACKER
Surely you can enhance your business model in a way that is better
Who are your stakeholders that your business depends on?
How will you want to be remembered in the long run?
As the king of THNEEDS and de-forestation?
Or as the entrepreneur who helped better the nation?
PLEASE STOP!!!!, snapped the Once-ler

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You're driving me crazy

I am a for-profit corporation, not a tree-hugging daisy

That's right said the Lorax, but why sell yourself short?

You have to be nimble and face the challenge with resolve

Let's work together to develop a plan

We'll involve all key constituents, including Uncle Sam

Let's create a world that is brighter and better

A spectacular world for birds of all feathers

One that has TRUFFULAS and one that has THNEEDS

And an operating model that prospers everyone's needs

I'm sorry to stop you oh Lorax my friend

But how, oh how, do we achieve such an end?

Just then the phone rang it was the Brown Bar-ba-loots

They had convinced a shareholder to bring a derivative suit

A derivative suit? Said the Once-ler with a smug grin

I'll just claim BJR and for sure I will win

That's not the point quipped the Lorax

Everyone is a-Twitter

The whole blogosphere is aghast and bitter

One of your employees leaked news of your GLUMPING

There's no more pretending, you have to do somethin'!