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Front Matter

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MICHIGAN BUSINESS & ENTREPRENEURIAL LAW REVIEW

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NOTE FROM THE EDITORIAL BOARD

In the Fall of 2019, the Business Roundtable released an updated *Statement on the Purpose of a Corporation*.¹ The statement was signed by 181 CEOs and declared that “[w]hile each of our individual companies serves its own corporate purpose, we share a fundamental commitment to all of our stakeholders.”² The Business Roundtable acknowledged a commitment to deliver value to customers, to invest in employees, and to deal fairly and ethically with suppliers. This marked a significant departure from past practice and the relevance of this statement came in part from what it did not say. Absent was a declaration of shareholder value being the principal reason for corporate existence. It rejected the long-standing tradition of shareholder primacy.

Exactly 100 years before the Business Roundtable’s recent announcement, the Michigan Supreme Court decided the case that affirmed the concept of shareholder primacy — *Dodge v. Ford*.³ Since that time, shareholder primacy has taken center stage in discussions of corporate purpose. *Dodge v. Ford* is an historic case both for corporate law and the Michigan Supreme Court.

In celebration of the 100th anniversary of this landmark case, the *Michigan Business & Entrepreneurial Law Review* offers two articles that draw on the principles established in *Dodge v. Ford*. In *Of Bodies Politic and Pecuniary: A Brief History of Corporate Law*, University of Michigan Law Professor David Guenther examines corporate purpose and the role that profit maximization has played in corporate purpose throughout history. In *A New Urban Front for Shareholder Primacy*, Wayne State University Law Professor Anne Choike explores how local laws and ordinances have promoted the interests of non-shareholder constituencies.

The Business Roundtable’s *Statement on the Purpose of a Corporation* drew significant media attention when announced⁴ — along with skepticism⁵ and critique.⁶ Only time will tell if its aspirational rhetoric translates into substantive change in corporate purpose. For now, a legal framework prioritizing shareholder value remains in place. But regardless of what the

1. *Our Commitment*, BUSINESS ROUNDTABLE, <https://opportunity.businessroundtable.org/ourcommitment/> (last visited Jan. 20, 2020).

2. *Id.*

3. *Dodge v. Ford Motor Co.*, 204 Mich. 459 (Mich. 1919).

4. David Gelles & David Yaffe-Bellany, *Shareholder Value Is No Longer Everything*, *Top C.E.O.s Say*, N.Y. TIMES (Aug. 19, 2019), <https://www.nytimes.com/2019/08/19/business/business-roundtable-ceos-corporations.html>.

5. Barry Ritholtz, *Stakeholder Capitalism Will Fail If It’s Just Talk*, BLOOMBERG (August 21, 2019, 12:22 PM), <https://www.bloomberg.com/opinion/articles/2019-08-21/business-roundtable-shareholder-primacy-shift-judged-by-actions>.

6. David Gelles, *C.E.O.s Are Not Here to Save Us*, N.Y. TIMES (Sept. 28, 2019), <https://www.nytimes.com/2019/09/28/business/wework-juul-ebay-ceo.html>.

future holds, the concept of shareholder primacy will no doubt continue to inspire conversation in academia and action in the corporate world.