

The Duty of Corporations

What on Earth are they here for?

Joon Lee

Director of Product, Xinet
Founder, Africa Code
Academy





Introduction

- ✦ Companies are 'people' too!
- ✦ Just like people they have a duty work for the good of society
- ✦ The Bible's instructions for duty to society

3 Questions About Corporations

- ✦ What is a corporation?
- ✦ What are they for?
- ✦ What should they do?

What is a Corporation?

Definition of “Corporation”

- ✦ English word ‘incorporate’: to form a corporation
Latin: “in” + “comporare” = into + a body
- ✦ Definition: a body formed and authorized by law to **act as a single person** although constituted by one or more persons

“Corporations are people, my friend.”

– Mitt Romney, former US Presidential Candidate

Corporations as an 'Artificial Person'

- ✦ Human Rights
- ✦ Equal Protection under the law
- ✦ Responsibility to obey the law
- ✦ Death & Taxes... Well, Taxes



Remember Corporate DNA?

Companies also have Core Values and a Purpose!

What are Corporations For?

Venture Capital: “Unicorns” & “Dragons”

- ✦ Unicorns: “Software companies valued at over \$1 billion by public or private market investors.”
- ✦ Dragons: “Returns 100% on investment”



airbnb



SPACEX

Maximize Shareholder Value?

- ✦ Jack Welch, CEO General Electric
- ✦ Michael Jensen, Harvard Business School
- ✦ Milton Friedman, Nobel Prize-winning Economist

“The Social Responsibility of Business is to
Increase its Profits.”

– Milton Friedman, New York Times

“On the face of it, [maximizing] shareholder value
is the dumbest idea in the world.”

–Jack Welch, March 12, 2009

A Higher Purpose

Be a Good Citizen

“Businesses must reconnect company success with social progress. Shared value is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success.”

–Michael Porter, Author

“We don’t build companies to serve Wall Street.
We build corporations to provide goods and
services to a society and jobs for people.”

– *Margaret Blair, professor, Vanderbilt Law School*

For the Good of Society

- ✦ The advantages of incorporation were essential to efficient and secure economic development.
- ✦ Churches are a classic example of corporations at work

What Corporations Should Do?

Does the Bible Say

What Corporations Should Do?



Story of Ruth

- ✦ Gleaning was the practice gathering (leftover grain or other produce) after a harvest.
- ✦ Boaz was following the law by leaving grain

Gleaning and the Law

- ✦ Israel was an agrarian society
- ✦ Farming Industry was commanded to help the poor

“When you are harvesting in your **field** and you overlook a sheaf, do not go back to get it. Leave it for the foreigner, the fatherless and the widow, so that the Lord your God may bless you in all the work of your hands.

“When you beat the olives from your trees, do not go over the branches a second time. Leave what remains for the foreigner, the fatherless and the widow.

“When you harvest the **grapes** in your vineyard,
do not go over the vines again. Leave what
remains for the foreigner, the fatherless and the
widow.

Remember that you were slaves in Egypt. That is why I command you to do this.”

– *Deuteronomy 24:19-22*

Business Role in Biblical Society

- ✦ Aside from gleaning...
- ✦ Every third year the tithe is to be given to the poor
-Deuteronomy 14:28
- ✦ Every seventh year the land is to be left fallow for the poor -Exodus 23:10-11

Biblical Commands to Give

“Where have we any command in the Bible laid down in stronger terms, and in a more [imperative] urgent manner, than the command of giving to the poor?”

–Jonathan Edwards,

- ✦ Over 250 references in the Bible giving instructions about the poor.

Why so many verses?

2 Possible reasons

1. This is something that is very important to God.
2. This is something that goes so far against our nature, that God had to repeat it 250 times so that we could get the message.
3. All of the Above

A Biblical Promise:

Old Testament:

”For **the poor will never cease to be in the land**; therefore I command you, saying, 'You shall freely open your hand to your brother, to your needy and poor in your land.' — Deuteronomy 15:11

New Testament:

“**The poor you will always have with you**, and you can help them whenever you want. “ — Mark 14:7a

Why?

“Blessed are you who are poor, for yours is the kingdom of God.”

-Luke 6:20

“Listen, my dear brothers and sisters: Has not God chosen those who are poor in the eyes of the world to be rich in faith and to inherit the kingdom he promised those who love him?”

– *James 2:5*

An Aside...

“Blessed are the poor *in spirit*,...” - Matthew 5

vs.

“Blessed are you who are poor,...” - Luke 6

Jesus' Mission

“The Spirit of the Lord is on me, because he has anointed me to proclaim good news to the poor.

He has sent me to proclaim freedom for the prisoners and recovery of sight for the blind, to set the oppressed free”

-Luke 4:18

Be about our Father's Business

"Nothing has contributed to the progress of the superstition of the Christians as their charity to strangers...the impious Galileans provide not only for their own poor, but for ours as well."

– Julian, Roman Emperor

Our companies is not just for Profit

- ✦ Good of Society
- ✦ the Kingdom of God

Conclusion

Summary

- ✦ Companies are 'people' too!
- ✦ Just like people they have a duty work for the good of society
- ✦ The Bible requires us to help the poor

Final Reminder...

- ✦ We will always have the poor
- ✦ We (our companies and churches) must help the poor
- ✦ Why? *We are* the poor

Thank you!