Shareholder Primacy: An Intellectual History
from Dodge v. Ford through the Rise of Financialism

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Abstract

Standing in the way of some sustainable business practices is the belief that corporate fiduciaries must maximize shareholder wealth at all costs. In a previous article, I sought to dispel that myth, showing that American corporate law imposes no such duty, and that the object of shareholder wealth maximization is at most a stubborn norm. This article will explore this norm further, tracing the idea from its inception, to its famous articulation in the classic case of *Dodge v. Ford*, and through the influence of the law and economics movement and the rise of financialism at the end of the last century. The article will then examine the current debate over shareholder primacy, sustainability, and corporate social responsibility, arguing that the shareholder primacy norm is on the decline in the United States and will fail to take hold internationally. A new norm of enlightened stakeholderism, I posit, is gradually taking its place, pursuant to which firms aim to be not just profitable but environmentally and socially responsible, as well.

Brief Biography

I graduated Williams College and the University of Pennsylvania Law School and joined the New York law firm of Willkie Farr & Gallagher following a judicial clerkship in federal district court in New Jersey. I began my academic career in 2000, first at Willamette University College of Law, then joined the University of Oregon law faculty in 2001. My scholarship focuses on corporate law fiduciary duties, particularly as they relate to sustainability, and has appeared in the *Iowa Law Review*, the *Wisconsin Law Review*, the *Tulane Law Review*, and the peer-reviewed *Corporate Practice Commentator*.