

February 22, 2019

Corporate Ecosystems

I recently had the opportunity to discuss ecosystems with one of the world's leading biologists. I became interested in his research and his vision of biological ecosystems. He became interested in my description of corporate governance and investor stewardship in the context of *It's Time To Adopt The New Paradigm*, available [here](#). To facilitate our further discussion, I prepared a list of topics to be considered in constructing a diagram of a corporate ecosystem, of which the following are the most significant. I thought it worth sharing them in the hope they would be useful in evaluating *The New Paradigm* for the relationship between corporations and their shareholders:

- Rapidly changing technology
- Globalization
- Financialization
- Social media
- The environment
- Human capital management, *i.e.*, wages, employee training and retraining, healthcare, retirement
- Tax issues, *i.e.*, use of taxes to attract business, financing infrastructure and societal needs
- Shareholder primacy, *i.e.* short-termism, attacks by activists
- Inequality, *i.e.*, minimum wages, higher taxes
- Populism, *i.e.*, attacks on business, Brexit, Accountable Capitalism Act
- Erratic government policies
- Public distrust of big corporations

While not directly related to ecosystems, I can't refer to biology in relationship to corporations without calling attention to *Prosperity, Better Business Makes the Greater Good*, a new book by Colin Mayer. Professor Mayer analogizes the development of the corporation to evolution:

The notion of the firm in this book, as a multi-faceted organization that the law empowers and encourages to evolve in whatever way it sees fit, liberates it to adopt the many different forms that we have observed it taking over time and around the world, and allows it to meet the changing needs and opportunities available to society. Our conceptualization of the corporation should promote not impede its metamorphosis to produce profitable solutions to problems of people and planet.

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