

“Corporate Purpose” as a False Friend: A Bibliometric Analysis

Law Working Paper N° 815/2024

December 2024

Mathias Siems

European University Institute and ECGI

© Mathias Siems 2024. All rights reserved. Short sections of text, not to exceed two paragraphs, may be quoted without explicit permission provided that full credit, including © notice, is given to the source.

This paper can be downloaded without charge from:
http://ssrn.com/abstract_id=5046087

<https://ecgi.global/content/working-papers>

ECGI Working Paper Series in Law

“Corporate Purpose” as a False Friend: A Bibliometric Analysis

Working Paper N° 815/2024

December 2024

Mathias Siems

Abstract

The term “corporate purpose” is frequently used in both academic and non-academic writings today. However, it is also quite ambiguous, particularly in relation to the precise obligations that companies may be expected to fulfil. By presenting a bibliometric analysis of this term over recent decades, this paper assesses its popularity and usage. Amongst others, it finds that the term “corporate purpose” was already quite popular in the 1960s and 1980s, yet with different meanings than today; that recent publications discuss this term in more detail than in the past; that it is today often associated with social and environmental topics; and that it has recently become a term frequently used in the management and business literature. Overall, the empirical findings of this paper confirm its many ambiguities and thus expresses some doubts of whether it could be a useful legal term, while it may well be suitable as a conceptual framing device for the importance of social and environmental interests related to companies.

Keywords: Corporate purpose, corporate interest, corporate objective, stakeholders, CSR, bibliometrics

JEL Classifications: K22, K40, L21, M14, P12

Mathias Siems

Professor of Private Law and Market Regulation
European University Institute, Department of Law
Via Bolognese 156
I 50139 Firenze, Italy
phone: +39 554 686 544 306
e-mail: Mathias.Siems@eui.eu

“Corporate Purpose” as a False Friend: A Bibliometric Analysis

Mathias Siems*

Abstract:

The term “corporate purpose” is frequently used in both academic and non-academic writings today. However, it is also quite ambiguous, particularly in relation to the precise obligations that companies may be expected to fulfil. By presenting a bibliometric analysis of this term over recent decades, this paper assesses its popularity and usage. Amongst others, it finds that the term “corporate purpose” was already quite popular in the 1960s and 1980s, yet with different meanings than today; that recent publications discuss this term in more detail than in the past; that it is today often associated with social and environmental topics; and that it has recently become a term frequently used in the management and business literature. Overall, the empirical findings of this paper confirm its many ambiguities and thus expresses some doubts of whether it could be a useful legal term, while it may well be suitable as a conceptual framing device for the importance of social and environmental interests related to companies.

Keywords:

Corporate purpose, corporate interest, corporate objective, stakeholders, CSR, bibliometrics

I. Introduction

How popular is the term “corporate purpose”, and how exactly is it understood? This paper follows the hypothesis that the recent excitement over corporate purpose needs to consider that this term is highly ambiguous in its meaning, particularly in relation to the precise obligations that companies may be expected to fulfil. This analysis can draw on some of the recent literature that has discussed the meaning and use of this term;¹ yet, this literature is typically based on subjective selections of the now many publications on this topic. Thus, it is the further contribution of this paper to provide a general comprehensive bibliometric analysis of the use of the term over the past decades. This fills a gap in the literature. So far, there is only a paper by Brosch that uses this method to evaluate the usage of this term in 772 articles published in 11 journals from management studies.² By contrast, the present paper is based on a wider range of sources, including legal scholarship.³

* European University Institute, Florence, Italy. I thank the participants of the Symposium on “Understanding Corporate Purpose” at the Victoria University of Wellington, as well as Martin Gelter and Elena Calsamiglia for their helpful comments. The final version of this paper will be published in *Victoria University of Wellington Law Review*, vol. 55, issue 4 (2024).

¹ See Section II, below.

² Nikolai Brosch, “Corporate Purpose: From a ‘Tower of Babel’ Phenomenon Towards Construct Clarity” (2023) 93 *Journal of Business Economics* 567.

³ Namely: Google Scholar, Google Trends, Westlaw, JSTOR and SSRN. The search was conducted in the final week of April 2024 (ie later publications are not included in the quantitative analysis of this paper).

Bibliometric tools are not without limitations.⁴ Their main advantage is that they can provide answers to questions about an academic field that go beyond anecdotal examples. Among its shortcomings are gaps in databases, limitations of search functions, risks of false positives and negatives and the corresponding (and inevitable) degree of subjectivity of some of the choices a researcher may make. Some of these challenges are also relevant here, as not all publications of legal scholarship are freely searchable. To reduce those risks, the following analysis is based on multiple databases and search options, as will be explained.

The structure of this paper is as follows. As background information, Section II outlines some of the current definitions and uses of the term “corporate purpose”. The subsequent bibliometric analysis is divided into three parts. Section III presents aggregate data on the frequency and evolution of the term “corporate purpose”, as well as the use of related terms and concepts. Section IV provides information on the substantive uses of this term, again also considering that there may have been variations across time. Section V explores the reach across countries and disciplines, notably the literature in business and management studies. Section VI concludes.

II. Background: contemporary definitions and uses in a nutshell

In recent journal articles and on websites, we find some collections of definitions of “corporate purpose”.⁵ This section thus only provides a brief overview of core positions found today in both academic literature and practice in order to set the scene for the subsequent analysis.

To start with, it is often said that “corporate purpose” refers to the question of why a company exists,⁶ whereby some add that this should be the “ultimate goal, not an intermediary objective in the attainment of something else”.⁷ Some authors then detail what this “purpose” may, or should, be. In one variant, corporate purpose is phrased in a manner that it refers to a wide range of considerations, for example, “to conduct a lawful, ethical, profitable and sustainable business in order to create value over the long-term, which requires consideration of the stakeholders that are critical to its success (shareholders, employees, customers, suppliers, creditors and communities)”.⁸ Others present the situation of the proper corporate purpose as a choice:

⁴ See eg Giovanni Abramo and Ciriaco Andrea D’Angelo, “Evaluating Research: From Informed Peer Review to Bibliometrics” (2011) 87 *Scientometrics* 499; Rob van Gestel and Jan Vranken, “Assessing Legal Research: Sense and Nonsense of Peer Review versus Bibliometrics and the Need for a European Approach” (2011) 12 *German Law Journal* 901; Thed Van Leeuwen, “Bibliometric Research Evaluations, Web of Science and the Social Sciences and Humanities: A Problematic Relationship?” (2013) 2 *Bibliometrie – Praxis und Forschung* 8, available at <https://doi.org/10.5283/bpf.173>.

⁵ Eg, Mathieu Blanc, Jean-Luc Chenux and Edgar Philippin, “Corporate Purpose: How the Board of Directors Can Achieve an Inclusive Corporate Governance Regime” in Henry Peter, Carlos Vargas Vasserot and Jaime Alcalde Silva (eds), *The International Handbook of Social Enterprise Law: Benefit Corporations and Other Purpose-Driven Companies* (Cham: Springer 2013) 101, 116–20; Ruth V Aguilera, “Corporate Purpose in Comparative Perspective: The Role of Governance” (2023) 8 *Strategy Science* 193; GLOBEONE, 25 March 2022, available at <https://globe-one.com/blog/what-is-corporate-purpose/>.

⁶ Alex Edmans, *Grow the Pie: How Great Companies Deliver Both Purpose and Profit* (Cambridge: Cambridge University Press, 2020) 192 (“why an enterprise exists – who it serves, its reason for being and the role it plays in the world”).

⁷ Colin Mayer, *Prosperity: Better Business Makes the Greater Good* (Oxford: Oxford University Press, 2018) 6. See also Colin Mayer, *Capitalism and Crises: How to Fix Them* (Oxford: Oxford University Press, 2024) 219–247 (on the role of law and regulation to uphold a “common purpose”).

⁸ Martin Lipton, William Savitt and Karessa Cain, “On the Purpose of the Corporation” (2020), available at <https://corpgov.law.harvard.edu/2020/05/27/on-the-purpose-of-the-corporation/>. Similarly, Business Roundtable, *Statement On The Purpose Of A Corporation* (2019) (referring to “delivering value to our customers”, “investing in our employees”, “dealing fairly and ethically with our suppliers”, “supporting the communities in which we work”, and “generating long-term value for shareholders”).

for example, it is said that the prevailing notion of corporate purpose is (or was) that of “shareholder primacy”, as opposed to the stakeholder theory according to which “businesses should take account of the interests of all their stakeholders”.⁹ Moreover, some authors express the view that, today, corporate purpose *should* be defined in a manner that is not focussed on shareholders only. For example, it is identified as “a concrete goal or objective for the firm that reaches beyond profit maximization”;¹⁰ and it is said that companies should have the purpose to create “profitable solutions to the problems of people and planet” and to contribute “to the general goals of society (and at least does not, on aggregate, work against them)”.¹¹

Similar normative statements have been expressed by businesspersons and -groups. For example, Larry Fink, the chairman of BlackRock, suggests that companies should “serve a social purpose”,¹² while the consulting firm Globeone combines different elements to the definition that “a purpose describes why an organization exists. It defines what it stands for and to what extent it can make a sustainable positive contribution to the value-creating coexistence of business, society and the environment.”¹³ In newspapers, some contributions quote the aforementioned precept that companies should not profit from creating problem.¹⁴ Other newspaper articles refer to critical voices or controversies related to the notion of “corporate purpose”. For example, an article in the *Spectator* associates some of the purpose statements of companies with a form of “corporate gobbledygook” in summing up their non-financial aspirations “in a single sentence of whizzy-sounding but ultimately anodyne language”.¹⁵ In the *Financial Times* and the *Economist*, we also find reports on controversies around this topic in business, citing a CEO that “corporate purpose can be unwelcome distraction” and that proposals on environmental and social measures have made AGMs the next site of “America’s fight over corporate purpose”.¹⁶

⁹ Colin Mayer, “What Is Wrong with Corporate Law? The Purpose of Law and the Law of Purpose” (2022) 18 *Annual Review of Law and Social Science* 283, 284–7. A further view is that the purpose is directed towards the company as a separate legal entity, see Susan Watson and Lynn Buckley, “Directors’ Positive Duty to Act in the Interests of the Entity: Shareholders’ Interests Bounded by Corporate Purpose” (2024) *Journal of Corporate Law Studies*, early view available at <https://doi.org/10.1080/14735970.2024.2361507>.

¹⁰ Rebecca Henderson and Eric Van den Steen, “Why Do Firms have ‘Purpose’? The Firm’s Role as a Carrier of Identity and Reputation” (2015) 105 *American Economic Review* 326. See also Rebecca M Henderson, *Reimagining Capitalism in a World on Fire* (New York, NY: Hachette Book Group, 2020) 11 (“embracing a pro-social purpose beyond profit maximization and taking responsibility for the health of the natural and social systems on which we all rely not only makes good business sense but is also morally required”).

¹¹ British Academy, *Policy & Practice for Purposeful Business: The final report of the Future of the Corporation programme* (British Academy, 2021) 6 (also adding “not profiting from creating problems”); Beate Sjøfjell, *Towards a Sustainable European Company Law: A Normative Analysis of the Objectives of EU Law, with the Takeover Directive as a Test Case* (Alphen aan den Rijn: Kluwer Law International, 2009) 105. The latter point may also be understood as internalising negative externalities, cf Lorraine Talbot and Andreas Kokkinis, *Great Debates in Company Law* (Oxford: Hart Publishing, 2024) 160–61.

¹² Larry Fink, “A Sense of Purpose”, (2018), available at <https://corpgov.law.harvard.edu/2018/01/17/a-sense-of-purpose/> (“Society is demanding that companies, both public and private, serve a social purpose”).

¹³ Globeone, above n 5.

¹⁴ “New MindSet Creates New Results” (*Forbes*, 30 April 2023), <https://www.forbes.com/sites/cindygordon/2023/04/30/new-mindset-creates-new-results/> (referring to Colin Mayer) and “What Is The Purpose Of The Corporation?” (*Forbes*, 20 June 2022) <https://www.forbes.com/sites/londonschoolofeconomics/2022/06/20/what-is-the-purpose-of-the-corporation/> (referring to the British Academy research).

¹⁵ “Nigel Farage, NatWest, and the sinister rise of corporate ‘purpose’” (*Spectator*, 20 July 2023), <https://www.spectator.co.uk/article/nigel-farage-natwest-and-the-sinister-rise-of-corporate-purpose/>.

¹⁶ “Unilever’s new chief says corporate purpose can be ‘unwelcome distraction’” (*Financial Times*, 26 October 2023), <https://www.ft.com/content/72ea5061-914a-4bfc-874f-94163bb10c2f>; “Annual meetings are the new frontline in the battle over corporate purpose: Climate, race and inequality are on the agenda” (*The*

Finally, there are a number of further definitions and uses that refer to other ways “corporate purpose” is understood. Some of them are, again, open (ie not necessarily linked to stakeholder theories and the common good) but “more legal” in their nature. For example, an online dictionary for law and a website for MBA students define corporate purpose as the “object” (or the “objective”) of the corporation as found in the articles of incorporation.¹⁷ Since 2018, the UK Corporate Governance Code also includes the phrase that the board “should establish the company’s purpose”;¹⁸ thus, here, this would not be found in the articles of association but would still be different from the more aspirational definitions of the literature cited above. Last but not least, there are some further definitions which seem to refer to something quite distinct and different from the usages presented so far: for example, another online law dictionary refers to US case law on municipal corporations from the 19th century;¹⁹ apparently, this goes back to the former Constitution of Illinois, which included the provision that the “corporate authorities of counties, townships, school districts, cities, towns, and villages may be vested with power to assess and collect taxes for corporate purposes”.²⁰

Thus, while current discussions point towards a trend – namely, that “corporate purpose” is today often said to refer to the social purpose a company should pursue – this is not the only way this term is understood. As we saw, there is also ambiguity about whether “corporate purpose” should be seen as something aspirational or normative (be it ethically or legally).

III. Aggregate data on the frequency and evolution of the use of “corporate purpose” and related terms

This section aims to respond to the intuition that there seems to be recent excitement over the concept of corporate purpose. This also needs to consider that authors may not use the term “corporate purpose” but variations of it or other terms. In substance, we will see that the simple story of the rise of corporate purpose in the literature is not fully accurate.

To start with, in addition to evaluating the frequency of the use term “corporate purpose”, it is worth examining some modifications of it. For example, it can be contemplated that some authors may use “company” instead of “corporation”, “purposes” instead of “purpose”, or a prepositional instead of an adjective phrase. In addition to the terms listed in Table 1, further variants have been checked (eg, using “a corporation” or “corporations” instead of “corporation”), but those terms tend to be used less frequently.²¹

Economist, 23 April 2022), <https://www.economist.com/business/annual-meetings-are-the-new-frontline-in-the-battle-over-corporate-purpose/21808834>.

¹⁷ See <https://www.lawinsider.com/dictionary/corporate-purpose> and <https://www.mba-brief.com/what-is-corporate-purpose.asp>.

¹⁸ Financial Reporting Council, UK Corporate Governance Code (2018), Principle 1.B, <https://www.frc.org.uk/library/standards-codes-policy/corporate-governance/uk-corporate-governance-code/>.

¹⁹ <https://thelawdictionary.org/corporate-purpose/>.

²⁰ Article 9 section 5 of the Constitution of Illinois 1848.

²¹ The most frequent of these further terms are “Purpose of a corporation” (4,360), “Purpose of a company” (3,460), “Purpose of corporations” (1,430) and “Purpose of companies” (1,390).

Table 1: Use of “corporate purpose” and similar terms in Google Scholar

	(i) in paper	(ii) in title	(ii) of (i)
Corporate purpose	19,600	477	2.43%
Purpose of the corporation	6,020	68	1.13%
Company purpose	5,060	25	0.49%
Purpose of the company	10,200	9	0.09%
Firm purpose	5,090	14	0.28%
Purpose of the firm	4,910	36	0.73%
Corporate purposes	11,500	32	0.28%
Purposes of the corporation	2,920	0	0.00%
Company purposes	2,040	5	0.25%
Purposes of the company	2,930	5	0.17%
Firm purposes	405	0	0.00%
Purposes of the firm	691	2	0.29%

Using Google Scholar, Table 1 shows that the term “corporate purpose” is the most popular one overall, followed by “corporate purposes” and “purpose of the company”. Specifically, when searching for terms in the title, the advantage of “corporate purpose” is even more pronounced. Thus, it is the term that authors tend to use in publications that are likely to focus in detail on this topic. The same result is obtained when searching for the frequency of these terms in all US law reviews with Westlaw.²²

The question may be asked whether the three most popular terms of Table 1 are used interchangeably. Largely, this seems to be the case for “corporate purpose” and “purpose of the company”, while the term “corporate purposes” sometimes has a different connotation. A plural form is, for example, found in §101(b) of the Delaware General Corporation Law as it states that a corporation may be incorporated for “any lawful business or purposes”;²³ thus, the phrase “corporate purposes” sometimes refers to the object of a company, while publications in other countries strictly distinguish between the purpose and the object of a company.²⁴ By contrast, “corporate purposes” is less frequently used when authors write about the aforementioned view which is mainly interested in the social purpose of a corporation:²⁵ this can be seen in a search that adds the words “stakeholder” or “workers” to each of the three terms, as it leads to the result that “corporate purposes” is used less frequently than the other two variants.²⁶

As far as corporate purpose refers to the social purpose of the corporation, there are possible overlaps with further terms, notably “corporate interest” and “corporate objective”. The term “corporate interest” is, for example, used in codifications of French and English company law

²² Specifically: 2,412 and 30 hits for “corporate purpose”, 1,805 and 3 hits for “corporate purposes” and 773 and 0 for “Purpose of the company”.

²³ Similar provisions are found in other US states. See also § 2.02 (b)(2)(ii) of the Model Business Corporation Act (MBCA) stating that the articles of incorporation may contain “the purpose or purposes for which the corporation is organized”.

²⁴ Eg, Blanc et al, above n 5, at 116; Mathias Habersack, “Corporate Purpose” in Gregor Bachmann, Stefan Grundmann, Anja Mengel and Kaspar Krolop (eds), *Festschrift für Christine Windbichler* (Berlin: De Gruyter, 2020) 707.

²⁵ See Section II, above.

²⁶ The precise numbers for “stakeholder” and “corporate purpose”, “purpose of the company” or “corporate purposes” are 7,210, 3,090 and 1,500 (equivalent to 36.97%, 30.00% and 13.04%). For “workers” the numbers are 7,270, 2,820 and 2,950 (equivalent to 37.28%, 27.38% and 25.65%).

where they refer, respectively, to the role of the “*intérêt social*” and the interests of the creditors and employees of a company.²⁷ With respect to the term “corporate objective”, the Statement of Corporate Governance of the American Law Institutes (ALI) refers to it in the context of a general focus on shareholder interests,²⁸ while some of the literature also uses this term to discuss the choice between “shareholder primacy” and “stakeholder theory”.²⁹

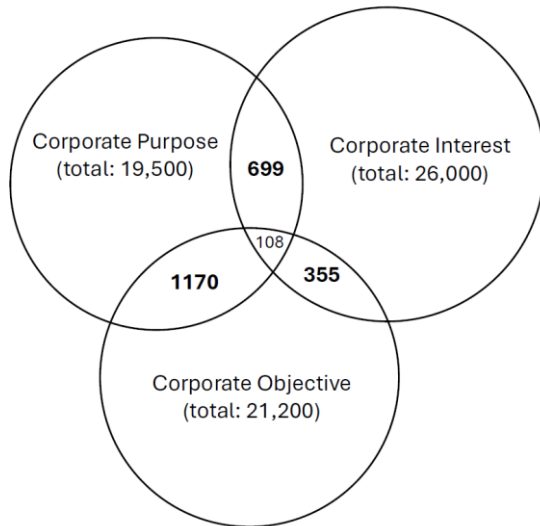


Figure 1: Overlap of publications using Google Scholar

The Venn diagram of Figure 1 shows that there is only some overlap in publications using the terms “corporate purpose”, “corporate interest” and “corporate objective”. Some authors indeed distinguish between these three terms,³⁰ but it is also likely that there are simply different language preferences by different authors. It has also been checked again whether these terms differ in their likelihood to mention the aforementioned terms related to social purpose (“stakeholder” and “workers”) with the uneven result that “corporate objective” exceeds “corporate purpose” if we add the term “stakeholder”, while “corporate interest” exceeds “corporate purpose” if we add the term “workers”.³¹

We can also compare how far “corporate purpose” may be more modern than the other terms. Dividing the total Google Scholar hits for “corporate purpose” leads to an almost equal split between the period up to 2016 and after 2017. This is similar to the term “purpose of the company”. By contrast, the terms “corporate purposes”, “corporate interest” and “corporate

²⁷ French Code Civil, art 1833(2) and UK Companies Act 2006, section 172. In addition, since 2019, the French law also includes the possibility to include a “raison d’être” (art 1835).

²⁸ ALI, *Principles of Corporate Governance and Structure: Restatement and Recommendations* (1982), § 2.01. Discussions on a revision are in process, see <https://www.ali.org/projects/show/corporate-governance/>.

²⁹ Eg, Andrew R Keay, *The Corporate Objective: Corporations, Globalisation and the Law* (Cheltenham: Edward Elgar, 2011); Maria Goranova and Lori Verstegen Ryan, “The Corporate Objective Revisited: The Shareholder Perspective” (2022) 59 *Journal of Management Studies* 249.

³⁰ Eg, Edward B Rock, “Business Purpose and the Objective of the Corporation” in Elizabeth Pollman and Robert B Thompson (eds), *Research Handbook on Corporate Purpose and Personhood* (Cheltenham: Edward Elgar, 2021) 27 (“corporate objective” as the organisational form; “business purpose” as the actual operation in practice).

³¹ For “corporate purpose” see note 26, above. For the other two terms, the data for “stakeholder” are 14,600 and 4,150 (equivalent to 68.87% and 15.96%) for “corporate objective” and “corporate interest”. For “workers” the numbers are 6,710 and 11,000 (equivalent to 31.65% and 42.31%).

objective” were used more than twice as frequently up to 2016.³² Thus, this confirms the statement made above that the term “corporate purposes” is indeed used more often to refer to the possible objects of a company – and thus an old topic.³³ With respect to “corporate interest” and “corporate objective”, it is likely that these terms were often preferred in the past when authors wrote about the possible social purpose companies should have.³⁴

Continuing with a more detailed analysis of the evolution of the term “corporate purpose”, Table 2 uses both Google Scholar and Westlaw with a modified search strategy. As Google Scholar includes many types of outputs, for a detailed analysis, it is preferable to only use outputs published in journals.³⁵ This is complemented by a search with Westlaw limited to US law reviews, given that only some international journals are included in Westlaw (ie a time series of those latter journals would mainly reflect the inclusion of these journals at different points in time). Moreover, Table 2 controls for publications that mention the term “corporate law”³⁶ to avoid false positives and to consider the likely rise in any materials included in both Google Scholar and Westlaw.

Table 2: Use of “corporate purpose” in Google Scholar and Westlaw

	Google Scholar (journals)			Westlaw (US law reviews)		
	(i) “corporate law”	(ii) “corporate purpose” in (i)	(ii) out of (i)	(i) “corporate law”	(ii) “corporate purpose” in (i)	(ii) out of (i)
1950s	104	3	2.88%	75	5	6.67%
1960s	224	13	5.80%	89	14	15.73%
1970s	428	16	3.74%	120	9	7.50%
1980s	1,020	43	4.22%	1,582	230	14.54%
1990s	2,530	39	1.54%	6,341	393	6.20%
2000s	6,350	63	0.99%	10,097	370	3.66%
2010s	10,100	207	2.05%	10,523	705	6.70%
2020s (so far)	6,210	372	5.99%	3,420	505	14.77%

Table 2 shows the rising popularity of “corporate purpose” in the last two decades, particularly in recent years. However, it may be unexpected that in the 1960s and 1980s, there was also a relatively frequent use of this term, followed by a decline until the 2010s. This can be explained as follows: initially, the term “corporate purpose” was often used to refer to provisions that require companies to indicate their object, ie the type of business that they would conduct.³⁷ However, the decline of the *ultra vires* doctrine in many countries³⁸ meant that this particular

³² The numbers are (always for up to 2016 and since 2017): 9,590 and 9,270 for “corporate purpose”; 4,930 and 4,90 for “purpose of the company”, 7,550 and 3,100 for “corporate purposes”; 15,900 and 7,620 for “corporate interest”; 11,700 and 8,950 for “corporate objective”.

³³ See also notes 37 and 38, below.

³⁴ For an historical overview see Blanc et al, above n 5, at 104–7 (“Whose Interests Shall Prevail in a Corporation? A Never-Ending Debate”).

³⁵ For this purpose, this uses the search restriction: source:journal OR source:review.

³⁶ It has also been checked to use “company law” instead; results are similar.

³⁷ For a similar assessment see David Kershaw and Edmund Schuster, “The Purposive Transformation of Corporate Law” (2021) 69 *American Journal of Comparative Law* 478, 485–7.

³⁸ Stephen J Leacock, “Rise and Fall of the Ultra Vires Doctrine in United States, United Kingdom, and Commonwealth Caribbean Corporate Common Law: A Triumph of Experience over Logic” (2006) 5 *DePaul Business & Commercial Law Journal* 67; Paul J Omar, “Powers, Purposes and Objects: The Protracted Demise of the Ultra Vires Rule” (2004) 16 *Bond Law Review* 93; Fhi Cassim, “The Rise, Fall, and Reform of the Ultra Vires

use of the term “corporate purpose” gradually disappeared. By contrast, we see now different uses of the term “corporate purpose”, often – though not always – associated with the social role companies are expected to pursue.³⁹

It can also be shown that the more recent use of the term “corporate purpose” is deeper than previous usages. A search with Westlaw has the option to impose the requirement that a term is used multiple times in an article. Applying a ten-times threshold shows that, only in recent years, we find a large number of articles that really deal with the topic of “corporate purpose”, however it may be defined, in some detail.⁴⁰ Google Scholar does not have this option; however, checking the use of the use of “corporate purpose” in the titles of journal articles shows an equivalent result: few examples prior to the year 2000 and a sharp rise in the 2020s.⁴¹

Beyond academic research, a search with Google Trends confirms the growing importance of the term in the last five years.⁴² Google Trends also shows a list of “related topics,” which can be ordered according to the topics that users search for together with the search term. The top ten are: (1) corporation; (2) business; (3) company; (4) management; (5) organisation; (6) finance; (7) goal; (8) succeeding; (9) CSR; (10) definition. Thus, this list is fairly business-oriented, a topic to be discussed further in the following two sections.

IV. Substantive uses of the term

The previous text already indicated some variations in the use of the term “corporate purpose”. In this section, this use will be analysed more systematically. In order to capture publications that deal with corporate purpose in some detail, its first part is based on a screening of Westlaw articles that mention this term at least ten times as well as on publications that have it in the title, followed by a quantitative analysis.

For publications published before the year 2000, five broad topics can be identified. First, as already indicated in the previous section, some publications dealt with the way the object of the company is defined – with possible implications for actions on behalf of the company as far as the *ultra vires* doctrine was still relevant (also considering that, over time, it has become more readily accepted to state that the company may conduct “any other lawful business”).⁴³ Second, as also already mentioned,⁴⁴ some older publications discussed in detail which “corporate purposes” municipal corporations or related bodies can pursue.⁴⁵ Third, some older publications addressed the relevance of the term “corporate purpose” in the law on insider dealing, namely

Doctrine” (1998) 10 *South African Mercantile Law Journal* 293. See also Marco Antonio Jiménez Sánchez, *The Ultra Vires Doctrine in Corporate Law: A Comparative Review* (Cham: Springer, 2022).

³⁹ See Section II, above, and Section IV, below.

⁴⁰ The numbers are (all for US law reviews; with the % referring to all articles using the term “corporate law”): 1950-2000: 14 (0.17%); 2000s: 12 (0.12%); 2010s: 66 (0.63%); 2020s: 73 (2.13%).

⁴¹ The numbers are (using the search: allintitle:“corporate purpose” source:journal OR source:review): 1950-2000: 6; 2000s: 9; 2010s: 14; 2020s: 52 (% have not been added here as those would be minuscule compared to the total number of publications; eg, 870k for the 2020s so far).

⁴² <https://trends.google.com/trends/explore?date=all&q=corporate%20purpose&hl=en-GB>.

⁴³ Rex G Baker, “The Proposed Texas Business Corporation Act – Two Important Developments” (1952) 30 *Texas Law Review* 842; Jeffrey S Wieand, “Special Issues in Guarantees by Massachusetts Corporations” (1999) 43/March-April *Boston Bar Journal* 6. On this point see also Elizabeth Pollman, “The History and Revival of the Corporate Purpose Clause” (2021) 99 *Texas Law Review* 1423.

⁴⁴ See Section II, above (with the reference to the former Constitution of Illinois).

⁴⁵ RBA, “Municipal Corporations – Corporate Purposes – Power of a City to Advertise” (1932) 10 *Texas Law Review* 516; Anon, “Public Land Ownership” (1943) 52 *Yale Law Journal* 634.

whether information has been given for a corporate purpose or personal benefit.⁴⁶ Fourth, some articles discussed the relevance of a corporate purpose in the context of corporate tax law, for example, whether charitable expenditures may have tax advantages.⁴⁷ Fifth, following the 1932 debate between Berle and Dodd on “For Whom Are Corporate Managers Trustees?” (published in the *Harvard Law Review* vol 45, no 8), some older publications dealt with the topic of whether companies should mainly be run in the interests of shareholders or a broader public interest.⁴⁸

Considering recent publications, the term “corporate purpose” is used considerably more frequently,⁴⁹ and screening of these publications shows that their focus is now often on the question of a possible social purpose of companies. Specifically, for books with “corporate purpose” in the title, it can be seen that this topic has also become prominent in the management literature.⁵⁰ As far as the legal literature is concerned, there are some examples of articles that discuss how this may matter in judicial decisions,⁵¹ some publications that have related it to the “enlightened shareholder value” codified in the UK Companies Act 2006,⁵² as well as some publications dealing with special forms of companies, such as benefit corporations and social enterprises.⁵³ However, today, the dominant focus is the more general policy debate on whether companies should be engaged in more than the creation of shareholder value.

⁴⁶ Anon, “Investors Management: Institutional Investors as Tippees” (1971) 119 *University of Pennsylvania Law Review* 502; Edward D Kleinbard, “Going Private” (1975) 84 *Yale Law Journal* 903; Gregory R Andre, “Constructive Insider Liability and the Arm’s Length Transaction Under Footnote 14 of Dirks” (1984) 52 *George Washington Law Review* 872.

⁴⁷ Joseph R Ho, “Stock Redemptions in Close Corporations: A Plan for Taxation” (1957) 67 *Yale Law Journal* 112; Peter L Faber, “Business Purpose and Section 355” (1990) Summer *Tax Lawyer* 855; Nancy J Knauer, “The Paradox of Corporate Giving: Tax Expenditures, the Nature of the Corporation, and the Social Construction of Charity” (1994) 44 *DePaul Law Review* 1.

⁴⁸ Carroll R Wetzell and James L Winokur, “Corporations and the Public Interest – A Review of the Corporate Purpose and Business Judgment Rules” (1971-1972) 27 *Business Lawyer* 235; Lyman Johnson, “The Eventual Clash Between Judicial and Legislative Notions of Target Management Conduct” (1988) 14 *The Journal of Corporation Law* 35; Joseph Biancalana, “Defining the Proper Corporate Constituency: Asking the Wrong Question” (1990) 59 *University of Cincinnati Law Review* 425.

⁴⁹ See Section III, above.

⁵⁰ Eg, Lynda Gratton, *Living Strategy: Putting People at the Heart of Corporate Purpose* (Harlow: Pearson, 2000); Mark Chong and Flocy Joseph, *Living The Corporate Purpose: Insights From Companies in Asia* (Singapore: World Scientific, 2021); Robert Bood, Hans van Ees and Theo Postma, *The Role of the Board in Corporate Purpose and Strategy* (Cambridge: Cambridge University Press, 2022). See also Section V, below.

⁵¹ David A Wishnick, “Corporate Purposes in a Free Enterprise System: A Comment on *eBay v. Newmark*” (2012) 121 *Yale Law Journal* 2405; Joanathan Macey, “*Martoma* and *Newman*: Valid Corporate Purpose and the Personal Benefit Test” (2018) 71 *SMU Law Review* 869; Edward J Waitzera and Douglas Sarro, “In Search of Things Past and Future: Judicial Activism and Corporate Purpose” (2019) 55 *Osgoode Hall Law Journal* 791.

⁵² Andrew Keay, “Tackling the Issue of the Corporate Objective: An Analysis of the United Kingdom’s ‘Enlightened Shareholder Value Approach’” (2007) 29 *Sydney Law Review* 577; Virginia Harper Ho, “‘Enlightened Shareholder Value’: Corporate Governance Beyond the Shareholder-Stakeholder Divide” (2010) 36 *The Journal of Corporation Law* 59; Daniel TY Cheung, “A Discussion on Whether there is Justification in Incorporating a Stakeholder Theory into UK Corporate Governance for Private Companies in Unregulated Transactions” (2018) 39 *Company Lawyer* 315.

⁵³ Frederick H Alexander, “Putting Benefit Corporation Statutes into Context by Putting Context into the Statutes” (2020-2021) 76 *Business Lawyer* 109; William H Jr Clark and Elizabeth K Babson, “How Benefit Corporations Are Redefining the Purpose of Business Corporations” (2012) 38 *William Mitchell Law Review* 817; Karsten Engsig Sorensen and Mette Neville, “Social Enterprises: How Should Company Law Balance Flexibility and Credibility?” (2014) 15 *European Business Organization Law Review* 267; Rosemary Teele Langford, “Use of the Corporate Form for Public Benefit – Revitalisation of Australian Corporations Law” (2020) 43 *UNSW Law Journal* 977.

To further evaluate this shift in focus, Tables 3 and 4 are based on a selection of “social terms” in publications in Google Scholar and Westlaw. As indicators, this evaluation uses the terms “stakeholder”, “social responsibility”, “employees” and “workers”. A limitation of the first two terms may be that their use has more generally increased in recent decades;⁵⁴ yet this is different for the other two terms.⁵⁵ Thus, an analysis of all of these terms can provide some indications of the evolution of the literature on corporate purpose.

Table 3: Use of social terms with “corporate purpose” in Google Scholar (journals)

	1950s-90s	2000s	2010s	2020s (so far)
(i) “corporate law” & “corporate purpose”	114	63	207	413
(ii) also with “stakeholder”	12	26	129	324
(ii) of (i)	10.53%	41.27%	62.32%	78.45%
(iii) also with “social responsibility”	21	29	125	286
(iii) of (i)	18.42%	46.03%	60.39%	69.25%
(iv) also with “employees”	82	49	170	342
(iv) of (i)	71.93%	77.78%	82.13%	82.81%
(v) also with “workers”	33	23	90	218
(v) of (i)	28.95%	36.51%	43.48%	52.78%

Table 4: Use of social terms with “corporate purpose” in Westlaw (US law reviews)

	1950s-90s	2000s	2010s	2020s (so far)
(i) “corporate law” & “corporate purpose”	651	370	705	505
(ii) also with “stakeholder”	91	139	465	408
(ii) of (i)	13.98%	37.57%	65.96%	80.79%
(iii) also with “social responsibility”	109	95	369	342
(iii) of (i)	16.74%	25.68%	52.34%	67.72%
(iv) also with “employees”	525	305	633	498
(iv) of (i)	80.65%	82.43%	89.79%	98.61%
(v) also with “workers”	175	147	320	360
(v) of (i)	26.88%	39.73%	45.39%	71.29%

Tables 3 and 4 show that for all of the terms, there has been a sharp increase in the use of these social terms within the context of the literature on corporate purpose in recent years, particularly since the year 2020. The only term that up to the year 2000 seems to have been used fairly frequently was “employees”. To further check this point, it has been examined how far imposing a threshold requirement impacts on the result: if “employees” needs to be mentioned ten times, the percentage falls to 23% (if it needs to be mentioned five times, it falls to 40%);⁵⁶ thus, it seems not to have played a crucial role in most of these older publications.

⁵⁴ Using Google Ngrams, https://books.google.com/ngrams/graph?content=stakeholder%2Csocial+responsibility&year_start=1950&year_end=2019&corpus=en-2019&smoothing=0.

⁵⁵ Again for illustration see Google Ngrams, https://books.google.com/ngrams/graph?content=employees%2Cworkers&year_start=1950&year_end=2019&corpus=en-2019&smoothing=0.

⁵⁶ Namely, 150 and 256 hits respectively.

Overall, Tables 3 and 4 show that today “corporate purpose” is widely seen as a term that asks us to reflect on the broader purpose of corporations. However, as already indicated,⁵⁷ this does not mean that we have a consensus on it, given that it is often unclear whether it is meant to refer to something with legal relevance, an ethical guidance or a practical phenomenon. It is also worth scrutinising which names and topics have accompanied the rapid rise of the use of the term in the 2020s. For the purpose of Table 5, this is based on certain authors, groups and pieces of legislation that may have shaped the debate, as well as a number of further keywords that can be hypothesised to be relevant for its recent use.⁵⁸

Table 5: Use of further terms with “corporate purpose” in Google Scholar (journals)

	Use after year 2020	Out of all hits (n: 413)	Slope 2020-2024	p-value of slope
Milton Friedman	120	29.06%	-0.0139	0.5004
Larry Fink	71	17.19%	0.0118	0.3320
Colin Mayer	66	15.98%	-0.0097	0.3920
Martin Lipton	56	13.56%	0.0164	0.2574
Business Roundtable	163	39.47%	-0.0006	0.9812
British Academy	42	10.17%	-0.0157	0.0516
Companies Act 2006	80	19.37%	-0.0044	0.7445
Corporate Governance Code	56	13.56%	-0.0124	0.5036
Stewardship Code	27	6.54%	-0.0058	0.5534
Sustainability	284	68.77%	0.0541	0.0090
Capitalism	251	60.77%	0.0121	0.6867
Climate change	198	47.94%	0.0179	0.3235
Charities [and similar terms]	101	24.46%	0.0011	0.9614
Greenwashing	84	20.34%	0.0598	0.0379
Mission statement	30	7.26%	-0.0141	0.2457
Socialism	29	7.02%	0.0266	0.0643

Note: as in Table 3, these hits are about publications also mentioning “corporate law”

Three of the first four names shown in Table 5 – Larry Fink, Colin Mayer and Martin Lipton – refer to authors who, in the late 2010s and early 2020s, promoted a social dimension of corporate purpose.⁵⁹ By contrast, Milton Friedman is included here as his 1970 NYT article is often seen as a key influence for the counterview that companies should mainly be shareholder and profit-focussed.⁶⁰ It can be seen that Friedman is indeed frequently cited. Fink, Mayer and Lipton are also mentioned in some of the publications; however, given the large number of authors

⁵⁷ See Section II, above.

⁵⁸ Thus, this method is based on selection of certain keywords. Future research may employ forms of automated content analysis, such as topic modelling; for an example applied to legal information see Peter Grajzl and Peter Murrell, “A Machine-learning History of English Caselaw and Legal Ideas Prior to the Industrial Revolution”, published in two parts in (2021) 17 *Journal of Institutional Economics* 1 and 201.

⁵⁹ See references cited in notes 7, 8, 9 and 12, above.

⁶⁰ “A Friedman doctrine – The Social Responsibility of Business Is to Increase Its Profits” (*New York Times*, 13 September 1970), <https://www.nytimes.com/1970/09/13/archives/a-friedman-doctrine-the-social-responsibility-of-business-is-to.html>. For a sceptical position about the original role of this publication see Brian R Cheffins, “Stop Blaming Milton Friedman!” (2021) 98 *Washington University Law Review* 1607.

who today write about corporate purpose, it is also plausible that no individual author dominates the citations.

References to the report by the Business Roundtable are more frequent than to the one by the British Academy.⁶¹ This is likely to be due to the larger number of publications dealing with US law, which can also be confirmed by a Westlaw search of US law reviews only.⁶² The subsequent searches displayed in Table 5 mainly refer to three acts of UK hard and soft law. In this regard, the relative advantage of the Companies Act 2006 is plausible as it was innovative in employing the notion of “enlightened shareholder value”.⁶³ By contrast, the use of a Corporate Governance Code and/or Stewardship Code⁶⁴ for promoting the social purpose of companies has been less prominent internationally.

With respect to the further keywords, we see relatively frequent use of terms related to environmental topics (sustainability, climate change, greenwashing) but also some more political ones (capitalism and, more rarely, socialism). Some of the literature also discusses the use of purpose-based vehicles⁶⁵ as a form of promoting a wider corporate purpose. The concept of a corporate mission is said to refer to the implementation of the corporate purpose.⁶⁶ Yet, the frequency of references to the term “mission statement” is relatively low. This may be due to the fact that journal articles which include the term corporate law may mainly be interested in law, while it is also possible that some authors use other terms to refer to firm practices.⁶⁷

Finally, we can evaluate whether there are trends in recent publications. For this purpose, Table 5 includes the slope of the percentage data for the years 2020 to 2024,⁶⁸ as well as the p-value showing how far this slope is likely to be different from zero.⁶⁹ As these data only concern five years, any trends should not be overestimated. Indeed, only the p-values of only four observations (displayed in bold) are in the range of statistical significance. Notably, this includes significant positive trends for the terms “sustainability” and “greenwashing” which likely reflects the growing role of environmental considerations but also the risk of ineffective measures. Furthermore, the term “socialism” shows a significant positive trend line. This trend may reflect the

⁶¹ Cited in notes 8 and 11, above.

⁶² Using the method of Table 4, post-2020, there are 250 hits for “Business Roundtable” but only 18 for “British Academy”.

⁶³ See references in notes 27 and 52, above.

⁶⁴ For the former see note 18, above; for the latter see Katelouzou, in this issue.

⁶⁵ See note 53, above. In this regard, the search underlying Table 5 included multiple variants – namely “charities”, “benefit corporations”, “community interest companies” and “social enterprise companies” – in order to capture the different types of entities used in different jurisdictions.

⁶⁶ “Enacting Purpose within the Modern Corporation: A Framework for Boards of Directors” (2020), available at <https://enactingpurpose.org/> at p 13 (“purpose states why an organisation exists”; “mission sets out what the organisation does”).

⁶⁷ Eg, “purpose statement”, “vision statement”, “statement of (corporate) purpose”, “statement of objective” (or similar phrases with nouns such as “declaration”, “plan” or “strategy”).

⁶⁸ The precise raw numbers for these five years are for all: 62, 82, 90, 87, 76; Milton Friedman 23, 25, 20, 24, 24; Larry Fink: 10, 12, 12, 19, 14; Colin Mayer: 10, 16, 13, 16, 9; Martin Lipton: 4, 11, 16, 12, 11; Business Roundtable: 20, 41, 36, 35, 28; British Academy: 8, 11, 8, 9, 5; Companies Act 2006: 15, 13, 17, 20, 14; Corporate Governance Code: 7, 14, 18, 10, 6; Stewardship Code: 3, 8, 8, 5, 3; Sustainability: 36, 54, 60, 68, 60; Capitalism: 33, 59, 54, 49, 51; Climate change: 26, 41, 37, 45, 38; Charities (etc): 15, 28, 17, 27, 20; Greenwashing: 5, 14, 11, 26, 24; Mission statement: 4, 10, 7, 5, 2; Socialism: 2, 3, 2, 9, 10.

⁶⁹ Technical details are beyond the scope of this paper. For an introduction for lawyers see Lee Epstein and Andrew D Martin, *An Introduction to Empirical Legal Studies* (Oxford: Oxford University Press, 2014) 156–60.

growing popularity of socialism with young Americans,⁷⁰ but it is also likely to include some critics of socialism.⁷¹

V. Reach of the term across countries and disciplines

The previous sections already referred to some differences across countries and disciplines. In this section, this will be explored further while also being selective about the types of analysis which are feasible within the scope of the present article.

It is conventionally said that many countries outside the Anglosphere more strongly consider the role of stakeholder interests in company law.⁷² Yet, there are also variations within the English-speaking world: for example, Indian company law stipulates that certain companies must allocate at least 2% of their profits towards CSR activities,⁷³ the UK has softened the focus on shareholder interests only,⁷⁴ and, in South African company law, some measures have also given more prominence to social concerns.⁷⁵

Table 6: Use of “corporate purpose” and countries in Google Scholar and Westlaw

Use of country name and ...	Google Scholar (journals)			Westlaw (US law reviews)		
	(i) “corporate law”	(ii) “corporate purpose” in (i)	(ii) out of (i)	(i) “corporate law”	(ii) “corporate purpose” in (i)	(ii) out of (i)
United States	14,700	547	3.72%	2,340	91	3.89%
United Kingdom	6,470	217	3.35%	1,722	55	3.19%
Australia	7,370	180	2.44%	1,428	42	2.94%
New Zealand	3,610	64	1.77%	784	17	2.17%
India	4,560	153	3.36%	517	21	4.06%
South Africa	2,620	92	3.51%	389	9	2.31%
France	5,370	196	3.65%	1,103	29	2.63%
Germany	6,790	228	3.36%	1,375	38	2.76%
Italy	3,600	139	3.86%	639	16	2.50%
China	5,930	140	2.36%	825	27	3.27%
Japan	4,820	127	2.63%	712	20	2.81%
Brazil	2,090	71	3.40%	252	7	2.78%

⁷⁰ See “Share of Americans with positive views on socialism and capitalism in the United States in 2022, by age”, <https://www.statista.com/statistics/1336340/views-socialism-capitalism-us-age/>.

⁷¹ Eg, Stephen M Bainbridge, *The Profit Motive: Defending Shareholder Value Maximization* (Cambridge: Cambridge University Press, 2023) 168. See also already Friedman, above n 60, who associated support for a social corporate purpose as “preaching pure and unadulterated socialism”.

⁷² For overviews see eg Carsten Gerner-Beuerle and Michael Schillig, *Comparative Company Law* (Oxford: Oxford University Press, 2018) 249–73; Martin Gelter, “Taming or Protecting the Modern Corporation? Shareholder-Stakeholder Debates in a Comparative Light” (2011) 7 *NYU Journal of Law & Business* 641; Mathias Siems, *Convergence in Shareholder Law* (Cambridge: Cambridge University Press, 2008) 176–82.

⁷³ Section 135 of the Companies Act 2013 (Act No. 18 of 2013).

⁷⁴ See note 52, above.

⁷⁵ Notably through the requirement of a “social and ethics committee” according to section 72 of the Companies Act 71 of 2008 and the (non-binding) King Reports. See eg Nanyemba Tangeni and Maphiri Mikovhe, “The Social and Ethics Committee and the Protection of Non-Shareholder Constituencies: Teething Problems or No Teeth At All?” (2022) 33 *Stellenbosch Law Review* 376.

Table 6 displays how far articles dealing with corporate law and mentioning a selection of countries also refer to the term “corporate purpose”. The interpretation of the Anglophone countries seems plausible here as the UK and India are countries which have been at the forefront of debates around the social purposes of companies. The same may be said for South Africa, which is indeed confirmed by the Google Scholar results. Using a further method, namely Google Trends,⁷⁶ South Africa is also the country with the most frequent Google searches for “corporate purpose” of the countries displayed in Table 6.

For the non-Anglophone countries, the results are less consistent. It also seems difficult to determine any difference between Anglophone and non-Anglophone countries. This finding should not be read as proof that there are no differences between those two groups. It has been noted that, in the Nordic countries, the debate about corporate purpose “has been slow to pick up” given that companies are not seen as “inherently exploitive” in any case.⁷⁷ Thus, it is well conceivable that there can be an inverse relationship between bibliometric measurable uses of the term and actual business practices.

Table 6 does not include words in other languages. Yet, with Google Scholar, it is also possible to check the languages of the publications: here, more than 90% of those publications that mention the English term “corporate purpose” are, as one would expect, written in English.⁷⁸ Searching for the other languages supported by Google Scholar, it can be seen that 95% of those with the English term “corporate purpose” have been published since 2000;⁷⁹ thus, this English term is evidently used in these non-Anglophone publications to refer to the social purpose associated with the recent Anglophone literature about corporate purpose.

Further considering non-Anglophone publications, other terms, such as variants of the term “corporate interest”, may often be preferred.⁸⁰ This has been checked for a German corporate law journal (NZG) available in the database Beck-Online (but not covered by Google Scholar). Here, there are only a modest number of hits for the English term “corporate purpose” and the literal German translation as *Unternehmenszweck*;⁸¹ yet, the German term *Unternehmensinteresse* (corporate interest) is frequently used with a rising trend in the last 25 years.⁸²

Research on the use of “corporate purpose” across different academic disciplines also faces challenges in collecting quantifiable information. Google Scholar does not enable a distinction between disciplines, and Westlaw is limited to law publications. However, two other sources can

⁷⁶ See <https://trends.google.com/trends/explore?date=all&q=corporate%20purpose&hl=en-GB>.

⁷⁷ Jesper Lau Hansen, “The Nordic approach to corporate governance and ESG”, in Thilo Kuntz (ed), *Research Handbook on Environmental, Social and Corporate Governance* (Cheltenham: Edward Elgar, 2024) 397, 411

⁷⁸ Namely, in 17,700 out of 19,600.

⁷⁹ Namely, in 1,460 out of 1,530; cf. https://scholar.google.com/scholar?q=%22corporate+purpose%22&hl=en&lr=lang_zh-CN%7Clang_zh-TW%7Clang_nl%7Clang_fr%7Clang_de%7Clang_it%7Clang_ja%7Clang_ko%7Clang_pl%7Clang_pt%7Clang_es%7Clang_tr&as_sdt=0,5.

⁸⁰ For France see note 27, above. For Germany see eg Claudia Schubert, *Das Unternehmensinteresse – Maßstab für die Organwalter von Aktiengesellschaften* (Baden-Baden: Nomos, 2020). For Italy see eg Umberto Tombari, “Potere” e “interessi” nella grande impresa azionaria (Milan: Giuffrè Francis Lefebvre, 2019).

⁸¹ For “corporate purpose” there are only 7 hits (with 6 of them after 2020); for “Unternehmenszweck” the numbers are as follows: 2000s: 10; 2010s: 9; 2020s so far: 4.

⁸² Here the numbers are as follows: 2000s: 52; 2010s: 84; 2020s so far: 42.

help: SSRN and JSTOR which both enable a distinction according to disciplines though with some differences between them.⁸³

Table 7: Use of “corporate purpose” across disciplines in SSRN (title, abstract and keywords)

Discipline	(i) all papers	(ii) “corporate purpose” in (i)	(ii) out of (i)
Law	366,173	239	0.0653%
Accounting	45,151	22	0.0487%
Finance	232,257	101	0.0435%
Management	101,504	39	0.0384%
Economics	584,171	104	0.0178%

In Table 7, “law” is the most frequently associated discipline for “corporate purpose” in SSRN, but there are also a good number of papers in disciplines related to business and economics. As SSRN allows the classification of papers in multiple disciplines, the overall number of papers is lower than the sum of the second column, namely 334 papers. Thus, it can also be calculated that around 72% of the papers on “corporate purpose” have a “law” classification, while around 54% have a classification with any of the other disciplines,⁸⁴ which then also implies that around 26% of the papers have a combined affiliation with law and one of these other disciplines.

Table 8: Use of “corporate purpose” across disciplines in JSTOR (journals)

Discipline	(i) all papers	(ii) “corporate purpose” in (i)	(ii) out of (i)
Law	383,534	698	0.1820%
Finance	62,516	56	0.0896%
Management & Organizational Behavior	74,501	61	0.0819%
Business	680,486	253	0.0372%
Philosophy	252,383	65	0.0258%
Public Policy & Administration	95,965	13	0.0135%
Economics	661,546	64	0.0097%
Political Science	640,261	52	0.0081%
Sociology	516,564	27	0.0052%
American Studies	392,803	17	0.0043%
History	1100,503	46	0.0042%
Asian Studies	302,817	12	0.0040%
Education	639,289	19	0.0030%
Language & Literature	926,595	14	0.0015%

The JSTOR results of Table 8 distinguish between more disciplines than SSRN (and the table omits disciplines with less than 10 hits for “corporate purpose”). Overall, “law” is again the most frequent one, while management-related disciplines are also well represented. Here too, multiple disciplines may be selected, though this happens less frequently than with SSRN. In total, there

⁸³ Using the sites <https://papers.ssrn.com/sol3/DisplayAbstractSearch.cfm> and <https://www.jstor.org/action/doBasicSearch?Query=%22corporate+purpose%22&so=rel&efqs=eyJjdHkiOiY05MWNtNWhiQT09Il19&acc=off>.

⁸⁴ Namely, in 239 out of 334 and in 179 out of 334.

are 1,091 papers, which means that 68.5% of the articles have a “law” classification, while the other disciplines cover 39.4% of the articles (with around 8% of the articles having both law and one of the other disciplines as a classification).⁸⁵

Similarly to Google Scholar, JSTOR enables searching for publications in particular years and combining multiple search terms. Thus, resuming the analyses of Sections III and IV, it is possible to examine which discipline has led the rise of the term corporate purpose in general and in particular with respect the social dimension (eg proxied by the term “stakeholder”).

Table 9: Use of “corporate purpose” in “law” and “business” in JSTOR (journals)

Discipline	Total	Pre 2000	Post 2000	Total & “stakeholder”	Pre 2000 & “stakeholder”	Post 2000 & “stakeholder”
(i) Law	698	550	148	64	13	51
(ii) Business	253	115	138	82	6	76
(i)/(ii)	2.76	4.78	1.07	0.78	2.17	0.67

Table 9 compares JSTOR hits for law and business as the most frequently represented disciplines (based on Table 8). It shows that the advantage of “law” is mainly due to publications prior to the year 2000. In other words, only in legal scholarship but not in business, there have been the aforementioned older publications that have dealt with the various non-social uses of the term “corporate purpose”.⁸⁶ This can then also be seen in the search that adds the term “stakeholder” as here “business” even exceeds the “law” publications. In addition, this trend in business studies is in line with the bibliometric finding by Brosch: according to his evaluation of journals from management studies, there is a recent increase in publications that understand this term as referring to “objective beyond profit maximisation” and “pro-social contribution” (and not merely the company’s “reason for being”).⁸⁷

Unlike legal scholarship, publications on corporate purpose from management studies and related fields focus on the way companies practically run their business. This does not mean that they understand this concept in a uniform way. For example, a recent publication notes the “substantial variation in what this turn to purpose actually entails”,⁸⁸ and another one distinguishes between perspectives on corporate purpose that either explore the “inner motivation of the corporate actors or the external contribution to the common good”.⁸⁹ It is also worth quoting the following text from another article [with references omitted]:

“There is no accepted definition of corporate purpose, but generally authors refer to an objective that lies beyond the mere survival of the company. For example, some authors speak of the intention to achieve a goal that links them to the world, or define it as the answer to the question ‘why does this organization exist?’; or purpose simply refers to objectives beyond economic profit. Others speak of purpose as providing a social benefit, while other authors comment that purpose is the

⁸⁵ Namely, in 698 out of 1091 and in 430 out of 1091.

⁸⁶ See references in notes 43 to 48, above.

⁸⁷ Brosch, above n 2.

⁸⁸ Marya Besharov and Björn Mitzinneck, “The Multiple Facets of Corporate Purpose: An Analytical Typology” (2023) 8 *Strategy Science* 233.

⁸⁹ Juan Almandoz, “Inside-out and Outside-in Perspectives on Corporate Purpose” (2023) 8 *Strategy Science* 139.

moral response to a company's responsibilities. In short, we can affirm that corporate purpose aims to generate a positive impact beyond the company itself."⁹⁰

In this definition (or definitions), we find many of the themes discussed in legal scholarship and analysed in this paper. It may, however, be surprising to legal scholars that "law" does not feature at all in this text; thus, here, the emphasis is that, regardless of any legal norms, it is eventually for individual companies to follow, or not follow, a particular purpose.

VI. Conclusion

The bibliometric analysis of this paper has shown that "corporate purpose" is a term that has seen an increased use throughout the 21st century. Specifically, it found that recent publications discuss this term in more detail than in the past; that it is today often associated with social and environmental topics; and that it has recently become a term also frequently used in the management and business literature

However, this positive news for the term "corporate purpose" is overshadowed by its ambiguity. This paper found that this term was also relatively popular in the 1960s and 1980s; yet, the way it was understood was fundamentally different as, in the past, it was typically discussed as a phrase that appeared in various norms of company law (eg, referring to the company's object) but sometimes also in other fields of law (eg, in tax law, insider dealing law and the law on municipal corporations). By contrast, the bibliometric analysis established that, today, it often goes hand in hand with terms that refer to the social purpose of corporations.

As regards this social emphasis of purpose, it may however be asked whether this literature is not simply presenting "old wine in new bottles". The 20th century has seen many debates about the shareholder or stakeholder focus of companies, also noting the possible variations across countries and the use of other terms (eg corporate interest or corporate objective). More fundamentally, it may be argued that the public function of companies has even been dominant for most of its history: the early colonial joint-stock companies served, at least partly, to uphold public interests,⁹¹ and in the state concession system, which lasted until the 19th century, it was clear that the incorporation of a company should serve the common good.⁹²

From a legal perspective, the main problem with the term "corporate purpose" is its ambiguity. For example, it is unclear whether a social corporate purpose should be the rule for all companies or whether it is for individual companies to decide on it, where and by whom in the company the corporate purpose should be specified, and whether it is meant to refer to an enforceable legal obligation, a comply-or-explain rule, a recommendation or a mere ethical rule. Thus, while it may, in any case, be preferable to enact more specific rules on the social and environmental responsibilities of companies,⁹³ it is suggested here that the phrase "corporate purpose" may be better suited as a conceptual framing device than a precise legal term.

⁹⁰ Fernando Ruiz-Perez, Alvaro Lleo, Marta Ormazabal and Carlos Rey, "Strengthening Employee Sustainable Behaviors through Purpose Implementation: An Empirical Approach with OCBs" (March 17, 2021), available at <https://ssrn.com/abstract=3806385>.

⁹¹ Siems, above n 72, at 18.

⁹² Klaus J Hopt, "Corporate Purpose and Stakeholder Value - Historical, Economic and Comparative Law Remarks on the Current Debate, Legislative Options and Enforcement Problems", in Jens-Hinrich Binder, Klaus Hopt and Thilo Kuntz (eds), *Corporate Purpose, CSR, and ESG: A Transatlantic Perspective* (Oxford: Oxford University Press, 2024, forthcoming).

⁹³ Mathias Siems and Gerhard Schnyder, "Can Ordoliberalism Save the World? Regulating CSR/ESG and its Discontents" (CBR Working Paper, forthcoming).

about ECGI

The European Corporate Governance Institute has been established to improve *corporate governance through fostering independent scientific research and related activities*.

The ECGI will produce and disseminate high quality research while remaining close to the concerns and interests of corporate, financial and public policy makers. It will draw on the expertise of scholars from numerous countries and bring together a critical mass of expertise and interest to bear on this important subject.

The views expressed in this working paper are those of the authors, not those of the ECGI or its members.

ECGI Working Paper Series in Law

Editorial Board

Editor	Amir Licht, Professor of Law, Radzyner Law School, Interdisciplinary Center Herzliya
Consulting Editors	Hse-Yu Iris Chiu, Professor of Corporate Law and Financial Regulation, University College London Martin Gelter, Professor of Law, Fordham University School of Law Geneviève Helleringer, Professor of Law, ESSEC Business School and Oxford Law Faculty Kathryn Judge, Professor of Law, Columbia Law School Wolf-Georg Ringe, Professor of Law & Finance, University of Hamburg
Editorial Assistant	Asif Malik, ECGI Working Paper Series Manager

Electronic Access to the Working Paper Series

The full set of ECGI working papers can be accessed through the Institute's Web-site (<https://ecgi.global/content/working-papers>) or SSRN:

Finance Paper Series	http://www.ssrn.com/link/ECGI-Fin.html
-----------------------------	---

Law Paper Series	http://www.ssrn.com/link/ECGI-Law.html
-------------------------	---

<https://ecgi.global/content/working-papers>