

## THE PROFIT MOTIVE

What responsibility, if any, does a corporation have to society? How should corporations balance environmental, social, and governance factors? *The Profit Motive* addresses these questions of corporate purpose using historical, legal, and economic perspectives. Stephen M. Bainbridge enters the debate around corporate social responsibility to mount an unabashed defense of shareholder capitalism and maximizing shareholder value. The book offers context for the current questions about corporate purpose, and provides a reference going forward. Direct and corrective, *The Profit Motive* argues that shareholder value maximization is not only required by law, but what the law ought to require.

Stephen M. Bainbridge is the William D. Warren Distinguished Professor of Law at UCLA School of Law.

# The Profit Motive

DEFENDING SHAREHOLDER VALUE  
MAXIMIZATION

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*In memory of my friend and mentor Henry Manne.*

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## Editorial Note

In citing references, I have followed the leading American system of legal citations, which is *The Bluebook: A Uniform System of Citation* (21st edition 2020). To avoid cluttering the page, citations appear in the endnotes at the back of the book, as does some minor explanatory text. In a few cases, I have used textual footnotes to convey what I regard as intermediately important information – that is, information too important to be relegated to an endnote that is unlikely to be read, but not important enough to justify inclusion in the main text. For the most part, these footnotes consist of sidenotes or explanations of technical aspects of the discussion that may be of interest to the reader although not so much as to justify interrupting the flow of the text. Recognizing that textual footnotes can be annoying and distracting, I have tried to keep them to the bare minimum.