

"What role can businesses play in transforming society?"

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Why ask this question now?

While defining a business and its purpose has raised questions all through the 20th century, it is particularly relevant today in France because of the possible changes appearing, at least in legal terms, with the "PACTE": the law on business growth and transformation introduced by Minister of the Economy Bruno Lemaire.

In a context of profound changes in economic systems and our societies, our daily lives are largely influenced by what businesses do and do not do. For example, because great power implies great responsibility, the role of businesses as economic players makes them responsible towards society, and even indebted to it. This raises questions on the funds, role and power of businesses in present-day society.

What role should businesses play in transforming society? This vast question raises a great many others: *Should businesses serve the interests of society? Should they be restricted to the interests of their shareholders? What precise societal issues? How can profitability be reconciled with societal issues?* Currently, articles 1832 and 1833 of the French Civil Code make shareholders the end recipients of the value created by the company. Rethinking the company and its role might thus involve altering these articles to factor in a broader range of stakeholders (employees, customers, suppliers and so on).

"Mission-led companies; the company's mission?"

This redefinition of a business and its chief goal raises the question of how? Should companies enter a new age, and see their official status change? Are they already players in these transformations, and would any legal changes be purely cosmetic? At present, from a legal point of view, the sharing of profits between partners remains the sole purpose accorded to a company by the Civil Code. This means that only profitability is protected in law.

In this context, several businesses have already decided to become "mission-led companies", meaning commercial and thus profit-driven businesses, with articles of association based on a social or environmental purpose. *In practical terms, what does this imply? Who is made liable? Should a company's corporate purpose be tackled in order to reconcile profitability with social and environmental issues?*

What does transforming society involve?

A business can act directly on problems linked with the environment, employee well-being or gender equality by reducing its CO₂ emissions, providing more flexible working hours or introducing mechanisms like obligatory paternity leave. *All well and good – but what is the real scope of these measures? Can a company really change values and attitudes? How can it choose its fields of action? Should they be the same with all companies? Who should define them? The State? The company itself? Using which criteria?*

How can companies be given the means to sustainably and effectively integrate other objectives?

Improving its employees' quality of life, abandoning polluting technologies or achieving a governance more evenly shared by its various players: all these objectives that could aid the transformation of society imply a cost for the business, and obtaining means in terms of human and physical capital. Then the question of financing arises, and the nature of the businesses involved in these transformations. *How can innovative investments be reconciled with sufficiently high profits for shareholders? Will SMEs and large companies have the same missions? What means will be allocated to them? What would the optimum source of this financing?*