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European Academy
of Business in Society

**Peter Drucker
and
Corporate Responsibility**

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Peter Drucker (1986)

**“Corporate capitalism is turning
into speculator’s capitalism**

**“The short term focus that speculator’s capitalism
imposes on managements is deleterious to
both business and the entire economy..”**

Thinking short term makes traders rich and investors poor”



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“The first performance requirement in a business is economic performance...and profitability.

Adequate profitability alone can provide for the risks, growth needs and jobs of tomorrow.

These needs are all long term needs and require commitments to the future”.



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**“But should economic results,
even long term and lasting ones,
be the one and only goal in the publicly owned enterprise,
the goal to which all other considerations
are to be sacrificed?**

**Or are even optimum economic goals achieved only by
balancing competing claims?**



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“But the real issues are political and moral rather than financial or economic.

Can a modern democratic society tolerate the subordination of all other goals and priorities of a major institution, such as the publicly owned corporation, to short term gain?

Can it subordinate all other stakeholders to one constituency –the shareholder – even to a ‘socially responsible’ one?”



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“All conservative thinkers have held since Aristotle that to subordinate a major institution to a single value is a grievous mistake that will ultimately deprive the institution of the ability to produce *any* results.

We may indeed be best advised to strive for balance.”



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“This is what “free enterprise” really means – it clearly was meant to be more than a euphemism for capitalism let alone for speculation.

But how can we build accountability for such balance into the management structure?

And to whom and in what form is this accountability to be exercised?”