The Monopoly of Narratives

Pablo Hernandez-Lagos

Associate Professor of Strategy and Entrepreneurship

Sy Syms School of Business

Yeshiva University

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Abstract

Competition in the product markets has made capitalism efficient. However, competition in the product markets is limited because people care more about purpose than price. This essay investigates the nature of the market for purpose—our concern for growing personally and professionally, contributing to society, and belonging. Markets for purpose have been around since the origins of civilization. Prominent individuals and the organizations they represent have offered purpose by crafting narratives that often connect fictitious with factual events to portray themselves as virtuous. People consume those narratives. People are also the buyers of the products prominent individuals sell and the workers that supply the inputs their organizations use. Using the example of ESG (environmental, social, and governance) purpose, the paper contends that when buyers and suppliers stop questioning whether the narrative represents factual initiatives that meet their demand for purpose, a few players dominate the market for purpose and exert totalitarian control over the narrative. While totalitarian narratives bring about uniformity and conformity, civilization requires the opposite to thrive: innovation and disruption. Thus, buyers and suppliers are responsible for opposing the monopoly of narratives by discerning between factual and mystifying stories and keeping the market for purpose competitive and efficient.

Introduction

Competition is the driving force behind capitalism's efficiency. It disciplines businesses to innovate and offer competitive prices to win customers and attractive salaries to retain talent. This discipline, coupled with a system that safeguards private property, promotes self-interested maximization of net sales, and empowers governments to foster freedom and deliver public goods, has yielded substantial output. However, price competition is becoming mild and limited. Compelling evidence of market concentration reveals that a handful of firms dominate their industries, setting near-monopoly prices and monopsony payments to suppliers (Autor et al. 2020, De Loecker et al. 2020). Price competition is limited because individuals place greater value on purpose than on price. We are at least as concerned with personal and professional growth, societal contribution, and belonging as with affording food and shelter. The most salient example of this tendency is firms being compelled to compete in Environmental, Social, and Governance (ESG) performance to cater to the demands of consumers and suppliers who prioritize purpose over price.

The demand for purpose has been a constant since the dawn of civilization. Like many labels in the past, ESG encapsulates noble intentions to combat environmental degradation, social injustices, and corruption. However, the clarity of the acronym contrasts with the ambiguity of its meaning. The definition of ESG is contested, with conflicting narratives ranging from assertions that ESG is vital for firms' profitability to demands for companies to abandon profit motives altogether (Halbritter and Dorfleitner 2015). This ambiguity can complicate assessing ESG's impact on firms' financial performance (Gillan, Koch, and Starks 2021). Yet this very ambiguity can be advantageous. Humanity has navigated the vagueness of similar labels and found ways to leverage their power. Some empires and corporations have flourished around narratives evoked by labels such as kingdom, democracy, communism, free markets, or capitalism, while others have collapsed under those same narratives. Therefore, before we celebrate the bright side of ESG, we must explore its dark side.

The dangerous side of narratives

The hidden danger in any business story is the power it gives those who control it to make false claims over important resources. In this context, resources are important if they allow us to function. The main resource is food because it provides the energy for all our activities. Our large brains need a lot of energy. In the long history of humanity, starting about 300,000 years ago, the first major increase in population and knowledge happened after humans made more food than they needed to survive—creating what we call 'surplus' (Childe, 1936). This surplus allowed people to do jobs other than farming and hunting-gathering, like art, tax collection, defense, administration, science, and philosophy. These jobs built the pillars of civilization. The number and quality of these jobs depended on how much surplus was available. So, to fuel civilization, the surplus had to grow, which only happened when some of it was invested back into production (Dal Bo, Hernandez-Lagos, and Mazzuca 2022). If the label "capitalism" brings to mind the idea that re-investing surplus leads to a greater surplus, then capitalism has been part of civilization from the start.

Just because surplus exists does not mean everyone benefits from it. While making surplus is a key part of history, how societies share it among their members is just as important (Mayshar, Moav, and Zvika 2017; Dal Bo et al. 2022; Mayshar, Moav, and Pascali 2022; Allen, Bertazzini, and Heldring 2023). Different ways of distributing surplus have existed throughout history, each unique to the society's location, culture, and institutions. But all these ways share some form of hierarchical order. Hierarchies can be formal, with clear records showing who is in charge, or informal, with authority accepted by society's members without needing proof. This means that how we organize ourselves does not entirely depend on ideology. For example, communist societies do not give equal power to each member. Instead, they have clear hierarchies. Democratic societies also have hierarchies. They let members vote for a leader, but each member is unlikely to be the deciding vote in the election, and those running for high office are usually part of or approved by a small group of influential individuals. More importantly, hierarchies do not always distribute surplus equitably, but their success does not stem from equity. Hierarchies have organized billions of diverse people interacting worldwide. Humanity owes the success of hierarchical order to its propensity to concentrate control over most surplus on relatively few individuals.

The invention of writing some 5,300 years ago in the ancient cities of southern Mesopotamia allowed large settlements to have a hierarchical order beyond kinship (Liverani, 2004; Black et al., 1998). Written myths and stories about those in power extended the limited scope of family organization. Winning over individuals beyond the extended family proved cheaper than using force. The mystification of organizations and kings through written works like Enheduanna's Temple Hymns or The Epic of Gilgamesh strengthened the belief that power was given to some by divine will since, at least, 4,300 years ago (Liverani, 2004; Black et al., 1998).

Prominent individuals used narratives to legitimize themselves, gaining control over the surplus and labor of tens of thousands of strangers and leading the first empires about 4,300 years ago. And the fact that a few control surplus has changed little throughout history. Everywhere a select group of individuals have leveraged surplus to boost their legitimacy by maintaining scribes, artists, armies, scientists, bureaucracies, and more recently, the media and machine learning tools. The concept of mystification, whether it 'perplexes the mind' or represents 'something difficult to comprehend,' has proven as enduring as surplus and hierarchies. Today's marketing and propaganda, spread through digital channels and tailored to people's beliefs and emotions, are the latest attempts to mythicize some people and the companies they represent. The ESG discourse contains many elements found in historical mystifications.

Influential organizations and individuals construct through narratives social structures inseparable from them. Consider BlackRock's CEO Larry Fink and former WeWork's CEO Adam Neumann as examples. They have guided narratives around ESG for better or worse. Phrases like 'long-term value for shareholders' or 'community-adjusted profit' entice clients, investors, and employees to entrust them with their money, time, and effort. Larry Fink's well-known letters to CEOs advocate for capitalism to address environmental and societal problems. His arguments that profit maximization aligns with tackling major environmental and social problems receive global acclaim. Larry Fink suceeded to remain the CEO of one of the world's largest investment management companies, with solid net earnings supporting his narrative. In contrast, Adam Neumann experienced a fall from grace. Eventually, investors, employees, regulators, and the public realized that his WeWork was not the ‘physical social network’ it claimed to be. They also discovered that the company’s mantra ‘We instead of Me’ was a sham. Adam Neumann profited from selling hundreds of millions of dollars in equity to new investors, while employees could not sell any. Evidence points to WeWork as a mechanism to funnel resources from investors and workers to Neumann’s close circle of friends and family.[1]

Attractive intentions like superior ESG purposes are inevitably linked with a few organizations and the individuals at their helm with the power and platform to propagate their stories. The power they gain from controlling the narrative dulls our reason and restricts our choice. Societies must encourage competition to avoid veering into this dark side of ESG. ESG business activities, like traditional price-quality business activities, must aim at winning over buyers and suppliers. Because ESG competition occurs in buyers’ and suppliers’ markets, understanding ESG competition first requires addressing the fundamental issue of value creation. Before creating value, buyers and suppliers must decide whether to do business with a particular firm. Therefore, they must be able to choose between competing ESG (purpose) narratives freely. Without a choice, a few influential individuals and the firms they represent will continue controlling the narrative, further undermining freedom.

From surplus to value and from value to purpose

At its core, surplus is the energy left over after subtracting the energy cost of producing edible crops and animals from their energy yield. Over centuries, human progress has significantly increased the energy yield compared to the energy cost. While this means that energy surplus is no longer a barrier to human survival, we owe the substantial energy surplus to the enormous energy subsidy provided by hydrocarbons from fossil fuels (Lebergott 1966). Without this subsidy, we could only feed half of the population.[2] Therefore, to lessen our dependence on hydrocarbons, we need to consider more than just basic energy surplus because surplus does not take into account purpose.

To examine purpose, we need to extend the measure of surplus to include our need to combat global warming and other higher needs like trustworthiness, biodiversity, social connectivity and coordination, creativity, and humane treatment of animals, among others. From a business perspective, surplus aligns with the definition of value used in economics and business strategy. Value is the difference between what someone is willing to pay for a product (or service) and the opportunity cost of all suppliers who provide inputs to create that product.

Willingness to pay is exactly that: how much a person is willing to pay for a product. This usually varies among people. For instance, consider the maximum amount of money a person would pay for the latest iPhone. It could be as high as a few thousand dollars or as low as zero. People are likely to have an estimate of their own willingness to pay for a product, but knowing another person's willingness to pay for a product is not that straightforward. However, we know that if someone buys the iPhone, their willingness to pay for it must be higher than the price. Firms benefit from an increased willingness to pay for their products because it can lead to higher prices. Any prominent person leading a firm would want buyers' willingness to pay for their products to increase, all else being equal. Marketing and advertising ESG initiatives (for example, humane treatment of animals), propaganda about the founder of the firm producing it (for example, visionary leaders in charge of 'changing the world'), and addictive features of products or services (from legal opioids to social network notifications) all aim to increase willingness to pay.[3]

Companies promoting their environmental, social, and governance (governance: "good order and workable arrangements," Williamson, 2005) practices can attract more customers. They can also charge more to those who believe in the narrative. If we had a clear understanding of how ESG activities align with ESG intentions, it would be beneficial for companies to showcase their ESG achievements. Unfortunately, we often do not know what ESG truly means or does. In some cases, science can illuminate the actual effects of a narrative. For example, producing an electric car emits twice as much greenhouse gas as producing a comparable gas-fueled car. However, over its lifetime, the former's greenhouse gas emissions are only about 40% of the latter's (Argonne National Laboratory, 2022). Other narratives are unclear, and science is still far from providing clarity. For example, cryptocurrencies were touted as a tool to democratize investment. Yet, they seem to benefit only a few firms and individuals in obscure parts of the world. In extreme cases, products that resemble cults command such a high willingness to pay that people effectively give up their freedom of choice. Cults around brands and personalities often solidify because their mystical stories spread unchecked in the digital universe. While digital tools, especially machine learning algorithms, are developed to improve the match between needs and products, they also craft narratives that manipulate people's desires (Ahmad et al., 2023). Evidence suggests that falsehoods even outpace truth on social media (Vosoughi and Aral, 2018). Because the goal is to align narratives with preferences, machine learning algorithms perform better by making people's preferences more predictable (Doya et al. 2022). Narratives are ambiguous, and people are more likely to accept ambiguous claims as true rather than reject them as false (Brashier and Marsh, 2020). Digital information tools manipulate people into becoming the resource base (attention, effort, money, or time) of those who already have the means to control said information tools, triggering a vicious cycle of uniformity and conformity. It's not hard to imagine the intentions behind Elon Musk's dramatic acquisition and management of Twitter/X.

Mystifying narratives aim at increasing buyers' willingness to pay. However, those narratives contribute little to people's well-being if they are non-factual, harmful, and undermine freedom of choice. Importantly, when one person and the company they represent monopolize an idea, they profit from people's lack of choice, just like a product monopoly does. As a result, people give up their power to choose, expecting these influential agents to solve the world's problems on their behalf. Nurturing civilization requires challenging the monopoly of narratives.

A similar idea applies to the other end of value: the opportunity cost of suppliers. This refers to the lowest price suppliers would be willing to sell their products (or services) to the company that uses them as inputs. Take the iPhone as an example, where key suppliers are chip manufacturers. The opportunity cost for these manufacturers is the compensation they would get by selling those chips to companies other than Apple Inc. People are another crucial supplier. Just like in the buyers' market, influential individuals leading a company would prefer that the suppliers' best alternative be as low as possible. The lower the suppliers' best alternative, the less the company has to pay them. One example comes from companies with the resources to awe prospective talent by glorifying their workplace. Such companies convince people to work for less by creating stories of future wealth or new worlds. Manipulating expectations is as old as civilization itself and has been used to minimize the cost of motivating people to work, invest, and trust. When a few individuals succeed in creating fantastic narratives about themselves and their workplace, workers and investors give up their power to choose. WeWork's former CEO Adam Neumann, did just that. He established a corporate culture of extravagant spending to signal success when the company had no advantage over similar real estate firms like Industrious or Regus. Top management organized parties and endorsed Neumann's lavish lifestyle, which contributed to the image of a successful company capable of 'changing the world'—whatever that meant. Capital suppliers were also deceived. Not all investors bought into the narrative, but those who did lost billions of dollars. Adam Neumann became a billionaire after WeWork's infamous fallout. Value was not created but shifted from investors like Masayoshi Son's Softbank to Adam Neumann and his close circle. In this example, capital suppliers bought into one person's mystification.

It is worth noting that value and profit are different concepts. Profit measures how much value a company captures. Companies strive to capture most of the value they create by increasing prices because any price below buyers' willingness to pay concedes value to buyers. Similarly, compensating suppliers (for example, salaries or rent) above the suppliers' best alternative gives away value to them. Because value is simply an extension of the idea of surplus to include purpose, the bigger the value created in the world, the larger the potential for civilization's economic and social growth. While civilization requires all production agents to increase their buyers' willingness to pay and reduce their suppliers' opportunity costs, maximizing profits involves increasing the difference between price and cost. Maximizing profits without maximizing value happens when companies can increase prices and reduce compensations to suppliers without losing buyers and talent; when buyers and suppliers do not question whether what they buy and sell to the company are adequately compensated by outstanding products and jobs. The constant drive of companies to increase profits must be balanced with buyers' and suppliers' ability to discern between truthful and deceitful mystifications about those products and those jobs.

If we all make an effort to separate truth from lies, then companies and salient individuals who shape the narrative will be forced to base their stories on facts. They do not want to lose their customers and suppliers by spreading false information. On the other hand, if people do not care about distinguishing between truth and lies, these influential figures will choose to deceive. Lying if undetected is cheaper than delivering. When people exercise their right to choose in the narrative market, competition arises just like in product and job markets. Choosing among different narratives is the key to breaking the monopoly of deception.

Competition in the market for purpose

ESG is sold as purpose through narratives that glorify those who sell it. This is how purpose has been communicated for thousands of years. But purpose, despite its ambiguity, must be subject to comparison. For instance, if two companies offer help to underprivileged communities, trust the one that dedicates more resources and provides verifiable support. Trusting means giving resources, money, or effort based on positive expectations of the firm's behavior (Rosseau, Sitkin, Burt, and Camerer, 1998). The closer our expectations match reality, the better our judgment, and the more we invest in getting our expectations right, the fiercer the competition among suppliers of purpose.

Getting expectations right means asking ourselves whether a product or job improves our lives. Companies will compete to meet our needs if we all ask this question and try to answer it honestly. The question is simple, but the answer can be complex. We tend to be attracted to familiar and popular products. We often stick with what we know because choosing between options can be costly. We follow successful people and attribute their success to their virtues (Merton, 1968; Azoulay, Stuart, and Wang 2014; Bol, de Vaan, and van de Rijt, 2018). This belief is known as the “Just World hypothesis” (Lerner and Miller, 1978; Jost, Blount, Pfeffer, and Hunyady, 2003). Once someone gains power, we often believe they deserve it. However, buying and following without questioning leads us into stagnant societies that reward uniformity over innovation. Disruption and innovation, not uniformity and conformity, drive value growth (Grossman and Helpman, 1993).

Asking ourselves honestly whether a product improves our lives encourages companies and entrepreneurs to develop products for higher purposes. Entrepreneurs create new products and narratives to compete with established players. This competition forces incumbents to improve their offerings. A process of creative destruction occurs in the purpose market. Companies and prominent people compete for attention, resulting in value growth. Because purpose is reflected in ESG narratives, companies that engage in genuine ESG efforts create value by increasing customers' willingness to pay or reducing suppliers' opportunity costs.

Firms that do not sincerely engage in ESG efforts can use its ambiguity to their benefit. Companies with large PR departments have an advantage because they can mold the vague ESG into their preferred narratives. When the narrative is subjective and unclear, buyers and suppliers must scrutinize the company's products and practices more closely. When the narrative is familiar, buyers and suppliers must resist the urge to rationalize their preconceived conclusions (Kunda, 1990; Epley and Gilovich, 2016). With competition, companies link advertising to production to compete in the ESG narrative market. Encouraging competition by choosing among narratives is more effective than hoping companies self-regulate and report honestly. Competing narratives do not clarify ESG; they just give people a chance to step up, discern, and ultimately choose.

ESG concerns (and variants like CSR, "Corporate Social Responsibility") have been around for decades, and we feel the impact of ESG competition. As people become more aware of environmental degradation, social injustices, and corruption, companies compete for talent, investors, distributors, and consumers. Unlike traditional price competition within industries, ESG competition often means competing across industries. For example, a bank looking to attract programmers must compete with a consumer goods company for the same conscious talent. According to one Forbes survey, 65% of workers are more likely to work for a company with strong environmental policies; another study by Bunderson and Thakor (2022) finds that companies that explicitly promote better governance have happier workers. Something similar happens when companies seek to attract capital or develop exclusive distribution channels (Gartenberg et al., 2021). Even companies' engagement with regulators can improve due to superior ESG performance (Minor and Morgan, 2011).

The landscape where ESG competition emerges is vast, making it nearly impossible for any company to compete successfully across all areas of ESG. However, this vast landscape brings unforeseen opportunities because of the many unaddressed ESG concerns. Companies are rushing to portray themselves as the ones addressing those concerns. Well-intentioned value statements are everywhere. Amazon is ‘committed to and invested in sustainability,’ Microsoft seeks to ‘create a sustainable future,’ and Saudi Aramco states, ‘sustainability makes good business sense.’[4] Good intentions are all over the internet and media. Narratives are sometimes beautifully crafted to appeal to our sense of belonging and concern for our offspring. Should we believe all of them or none? The answer is neither. Even though narratives are often associated with some truth, they are never entirely factual. We must choose based on objective information and resist the temptation to fall for what is familiar, popular, or addictive. So how can consumers or workers keep companies competing for them? People must first learn what a company does regarding ESG and compare those activities with its competitors’ activities.

Learning about a company’s ESG activities is not hard because of a lack of information. In fact, one of the best ways to learn is by reading a company’s sustainability report, which is usually available for free on its website. Most rating agencies use these reports as their primary source for ratings. More savvy consumers, workers, or investors can use fee-based commercial sources like rating agencies and aggregators to get detailed information on a company and its competitors’ ESG initiatives. But these can be pricey. Many other less expensive information sources are also available, like government filings, non-governmental organizations, and niche providers like Glassdoor.

The real challenge with ESG is its ambiguity. Conscious consumers and workers must explore the business landscape and look for areas where competitors are not reporting. Since most ESG reporting is voluntary, a lack of reporting might suggest that the company ca not compete in that area (Hernandez-Lagos and Minor, 2022). The truth in the ESG mystifications might be in what is not said. Moreover, industry-leading firms often have the resources to invest and disclose their ESG information and frequently dominate the narrative, pricing, and suppliers’ compensation, making it hard for competitors to challenge them. But funding is pouring over entrepreneurs challenging the status quo. In 2021, for example, venture capital firms invested over $340 billion in the U.S. In response to the need for purpose, entrepreneurial firms compete with established players in the narrative market. Those who manage to differentiate from the dominant incumbent tend to do better in the long run (Guzman and Li, 2023). Entrepreneurs’ mystifications can fill the void left by incumbent firms only if buyers and suppliers continually exercise their right to choose between products and narratives.

Narratives leading to mystifications are not necessarily bad. The Marxist view that mystifications obscure reason does not mean capitalism is doomed—quite the opposite.[5] By being aware that mystifications exist, we can make intelligent choices. A buyer who is not deceived and understands that a company's goal is to capture as much value as possible will also understand that they have the ultimate power to choose whether to buy into the narrative. Similarly, workers who accept that companies are always trying to reduce costs will be better off if the pressure to accept a lower salary is commensurate with the worker's gain in purpose. Therefore, a company facing skeptical buyers is more likely to succeed if it manages to increase the gap between what it charges buyers and the buyers' willingness to pay. Likewise, a company facing suppliers who exercise their right to choose is more likely to attract them if it increases the gap between their compensation and their best alternative. Buyers and suppliers enable capitalism to grow value by committing to their right to choose. In other words, buyers and suppliers skeptical of unfounded sustainability narratives are necessary for civilization to persist.

Can firms be as purposeful as humans?

Nothing said so far rules out that companies can be genuinely purposeful. While they can be aware of higher purposes, they face different incentives than people. These incentives can make it harder to maintain purposeful activities if they lead to lost business or higher costs. One such incentive is `free-riding:' the benefits of companies acting purposefully are shared by many, but so are the costs. For instance, firing a woman of childbearing age carries a moral cost to the organization's members. But because responsibility can be passed off to the vague notion of a company's needs, no one person takes full responsibility for that decision. Spreading the burden of morally costly activities reduces a company's incentive to act purposefully without pressure from losing talent or customers.

Moreover, a corporation's legal nature can hinder incentives to maintain purpose. Since companies are entities separate from their asset owners, corporations can take on excessive risk. The downside risk does not fall on the people at the helm. A company that engages in unethical (but legal) behavior can disappear, taking all its misconduct with it. Just as limited liability encourages financial risk-taking, it also encourages environmental, social, and governance risk-taking. People can reduce a company's ESG risk-taking by exercising their right to choose and increasing the reputation value of pursuing sustainable activities (Hernandez-Lagos, Povel, and Sertsios, 2017).

In the end, both companies and people play a role in fostering civilization. But people need to make conscientious choices and demand sustainable practices from companies. The inherent push of companies to increase prices and reduce costs must be met with increased willingness to pay for their products and decreased opportunity cost for their suppliers. For the "invisible hand" to work, it is up to people, not companies, to ensure that purposeful products and jobs are truly purposeful, not just mystically so.

In the extreme, the problem with buying into cult-like business narratives is trusting those who are not trustworthy. Cult leaders exploit those who trust them. A society that gets used to cult-like ideologies in products, services, or governments is headed for harsh awakenings, frustration, and violence. Societies that are happier and have higher incomes tend to have more trust (e.g., Mikucka, Sarracino and Dubrow 2017; Helliwell, Huang and Wang 2016; Algan and Cahuc, 2014; Inglehart 1999). Prominent individuals whose narratives promise but do not deliver erode trust in the institutions that underpin society: capitalism, free markets, free elections, and accountable governments.

History shows us that societies prone to chaos often see populists and tyrants brutally consolidate power. Given the power vested in corporations today, their businesses and those who control them could also wield totalitarian power. Totalitarian CEOs can control the masses through unfounded conspiracy theories and addictive narratives. The next stage of capitalism should keep totalitarian CEOs in check. By nurturing our power of choice, we can constrain totalitarian CEOs just as we can constrain the power of tyrants by promoting free elections. Let us spare no effort to discern truth from falsehood and protect our right to choose.

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[1] The quote 'long term value for shareholders' comes from Larry Fink's 2022 letter to CEO's retrieved on November 10, 2022 from https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter. The quote 'Community-adjusted profit' is the title of chapter 20 of the book "The Cult of We" by Eliot Brown and Maureen Farrell (2022) Crown New York. WeWork's business strategy of extreme growth relied on raising enormous sums of money. In order to back the unfounded claims by WeWork's CEO Adam Neumann that the business was profitable in several popular outlets such as The Wall Street Journal 2016 and TechCrunch 2017 ("The Cult of We" page 196), WeWork CFO at the time, Artie Minson, conjured up the label 'community-adjusted EBITDA.' That label,

which was not sanctioned by any official regulator in the world, basically excluded a wide array of expenses, such as general and administrative costs, the cost of the design department and the cost of the technology department. Despite Adam Neumann denying selling large number of stocks, he indeed sold $115 million to the mutual funds that invested in the firm in 2015 ('The Cult of We' pages 84-86).

[2] About half of the total crop harvest in the world relies on the application of synthetic nitrogenous compounds, which in turn are produced thanks to hydrocarbon feedstock and energy (Smil 1999). Without them, feeding about half of the earth's population would be impossible at the prevailing diets.

[3] In social networks, addictive notifications and feeds are meant to increase advertisers' willingness to pay for users' attention. Users are suppliers in most non-subscription social networks, while advertisers are the buyers.

[4] Amazon's https://www.aboutamazon.com/planet; Microsoft's https://www.microsoft.com/en-us/corporate-responsibility/sustainability; Saudi Aramco https://www.aramco.com/en/creating-value/sustainable-business-operations. All retrieved on Nov 7, 2022

[5] Marx (1990 pages 102-103 and pages 968-969) proposes that mystifications are the result of a capitalist society. Thus, its very nature propels the capitalist to create narratives around products and modes of production that increase the surplus it can extract from buyers and suppliers and consolidate its control over resources. The ideas in this essay are different in that there is no reason to believe that narratives are private goods—if anything, narratives are readily available to all. Their consumption does not preclude the consumption of another person. Moreover, narratives and the resulting mystifications can be proven obsolete by entrepreneurs who defy common ideologies. Unlike commodities, narratives can take indefinite forms and can be created by anyone at a negligible cost, so the space for competition is unbounded. However, the necessary condition for competition is that buyers and suppliers do not relinquish their ability to discern.