

The Role of the Benefit Corporation in Corporate Governance Narrative
The OpenAI Case

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Abstract:

Artificial intelligence communities are producing life changing applications. Based on the facts that, 1) AI appropriates knowledge (data, images, sounds) and 2) AI is, and will, alter fundamental human life functions, AI should be viewed as a commons that should be managed for the benefit of society.

Observers have commented that “people are already pushing for some of these principles in relation to AI — they just may not realize that they slot into Ostrom’s framework.” Furthermore it is stated that it is also important to apply Ostrom’s design principles more exactly, and that, “Stories matter. Myths matter. AI companies love the narrative of AI as an arms race — it justifies their rush to market. But it leaves us all in a pessimistic stance. There’s power in telling ourselves a different story: that AI is a potential tragedy of the commons, but that tragedy is only potential, and we have the power to avert it.” <https://www.vox.com/future-perfect/2023/7/7/23787011/ai-arms-race-tragedy-commons-risk-safety>

This paper expands on the proposition that AI will, in the somewhat near future, be as important to human survival as water and air and should be managed as a commons. It suggests that the narrative, and myth, of shareholder primacy and profit motive in the corporate form stifles consideration of a for profit corporation as participating in broader commons cooperative self-management. In the spirit of narratives that matter, and a type of case study, the discussion is framed in relation to the lawsuit filed by Elon Musk against OpenAI challenging its metamorphosis from a non-profit corporation to a group of corporations, partnerships, and LLCs that allegedly put profit before safety and benefit to society. It is a case study about the failure to see the possibilities of cooperation and a grander vision of common pool resources. It is posited that one limiting factor to envisioning commons management is the competing, enduring false narrative of corporation as purely for profit. It is proposed that the legally created benefit corporation provides an important counternarrative, is capable of holding common pool resources, and balancing and negotiating conflicting claims within a for profit paradigm.