

Debating stakeholders v. shareholders

Duration	90 minutes
Students level	Intermediate, Advanced
Materials	Timer, projector
Learning outcomes	<ul style="list-style-type: none"> • Students learn to explain the main ideas of shareholder and stakeholder capitalism. • Students learn to identify key stakeholders in business decisions and describe their interests. • Students learn to build and present arguments on who companies should serve. • Students learn to evaluate fairness and effectiveness in corporate governance.
Activities	<p>1. Theory — 15 minutes — frontal</p> <p>The teacher introduces the key ideas of shareholder capitalism (companies exist mainly to maximize profit for owners and investors) and stakeholder capitalism (companies must also consider employees, consumers, communities, and the environment).</p> <p><i>Aim: Students learn to define and distinguish between shareholder and stakeholder capitalism and understand the values that underpin each model.</i></p> <p>2. Exercise — 30 minutes — group work</p> <p>Split the class into six groups. Three represent stakeholder capitalism and three represent shareholder capitalism. Each group develops one argument with a clear example and possible counterpoint. Groups on the same side briefly compare notes before the debate.</p>



	<p><i>Aim: Students learn to analyze different arguments about corporate responsibility, support claims with real-world examples.</i></p> <p>3. Exercise — 30 minutes — class</p> <p>Each of the six groups presents their prepared argument in a short 2-minute speech. Groups alternate between stakeholder and shareholder sides so both perspectives stay balanced. After each speech, one group from the opposite side delivers a 45-second rebuttal. The teacher moderates transitions, keeps time visible, and records main ideas on the board under two columns: Stakeholder and Shareholder.</p> <p>Once all groups have spoken, each side selects one student to summarize their overall position in a final 2-minute summary speech.</p> <p><i>Aim: Students practice concise argument delivery, rebuttal, and active listening. They learn to synthesize multiple perspectives into a clear collective position while demonstrating evidence-based reasoning.</i></p> <p>4. Reflection — 15 minutes — class</p> <p>After the debate, the teacher facilitates a reflective discussion that links business models to ethics and real-world responsibility.</p> <p><i>Aim: Students consolidate learning, evaluate arguments critically, and express a personal conclusion based on evidence and ethical reasoning.</i></p>
Pedagogical tips	<ul style="list-style-type: none"> • Start the lesson with a simple visual that shows who benefits under each model to make abstract ideas clear and easy to grasp. • Keep a visible timer running during speeches and rebuttals to help students stay concise and maintain fairness between groups. • Give students a short sentence frame so every argument follows the same clear structure of claim, evidence, and rebuttal, for instance: <ul style="list-style-type: none"> ◦ <i>Our argument is that...</i>

	<ul style="list-style-type: none"> ○ <i>An example that supports this is...</i> ○ <i>A possible objection is...</i> ○ <i>We respond by saying...</i> ● Remind students to base their points on real company examples instead of personal opinions to strengthen their reasoning.
--	--

Theory

One of the central questions in business today is whether companies should serve only their shareholders or consider the interests of all stakeholders. Shareholders are people who own part of a company through stocks and have a direct financial interest in its performance. Stakeholders include all groups that are affected by a company's actions, such as employees, customers, suppliers, local communities, and the environment. These groups support the company's activity in different ways, for instance they provide labor, buy products, supply materials, and maintain the infrastructure that businesses rely on.

Supporters of shareholder capitalism view profit as the main goal of business. They argue that by focusing on profitability, companies stay efficient, create new products, and contribute to economic growth. In this view, profitable companies provide employment, pay taxes, and often reinvest in improvements that benefit society indirectly. For example, Apple and Amazon prioritize financial performance and innovation, which has resulted in broad economic impact through supply chains, services, and job creation.

Those who support stakeholder capitalism believe that companies have responsibilities that go beyond generating profit. They argue that corporate decisions affect many groups and that success should also be measured by social and environmental outcomes. For example, Patagonia integrates environmental goals into its business operations, and Unilever invests in sustainability across its product lines. Advocates of this view emphasize that companies which manage relationships with all stakeholders tend to maintain stronger trust and stability over time.

The discussion between these two perspectives is ongoing. Some believe that focusing solely on profit risks overlooking long-term sustainability, while others caution that spreading responsibility too widely can blur accountability. Many businesses now attempt to balance both approaches, seeking to achieve financial success while addressing broader social and environmental expectations.

Exercise

Divide the class into six groups. Three groups represent stakeholder capitalism, and three represent shareholder capitalism. Each group focuses on one main argument supporting their side. Students find at least one example or piece of evidence to back their claim and write one short rebuttal that the opposing side might use. After the preparation, groups on

the same side meet briefly to share notes and align key points before the class debate begins.

Stakeholder Capitalism – Groups 1–3

1. Long-term sustainability:

Companies that invest in employee well-being, fair labor, and the environment perform more consistently over time.

Example: Unilever’s “Sustainable Living Plan” integrates environmental and social goals with business strategy.

2. Ethical responsibility:

Businesses rely on communities and natural resources, so they have a duty to protect them. Profit without responsibility harms trust and stability.

Example: Patagonia reinvests part of its profit into environmental restoration projects.

3. Reputation and loyalty:

Treating all stakeholders well builds consumer and employee trust, leading to better recruitment and stronger brand identity.

Example: Companies with strong sustainability reputations attract more customers and skilled workers.

Shareholder Capitalism – Groups 4–6

1. Efficiency and innovation:

Profit-focused goals drive competition and innovation, which benefit society through new technologies and economic growth.

Example: Apple’s drive for profitability fuels constant product improvement.

2. Clear accountability:

Maximizing shareholder value being the only goal keeps decisions transparent and measurable. Multiple objectives can blur responsibility and reduce efficiency.

Example: Companies with clear financial reporting make leadership performance easier to evaluate.

3. Economic impact:

Profitable firms create jobs, pay taxes, and boost overall prosperity. A growing company benefits many stakeholders indirectly through market activity.

Example: Amazon’s expansion has supported suppliers, delivery networks, and service providers.

During the debate stage, each of the six groups presents one argument in turn, alternating between stakeholder and shareholder sides. Each group gives a 90-second speech that states a clear claim, one piece of evidence, and a short explanation. After each speech, one

opposing group has 45 seconds to ask a focused question or give a short rebuttal. Once all groups have spoken, each side selects one speaker to summarize their main points in a two-minute closing speech. The teacher keeps time visible, moderates transitions, and records key ideas on the board under “Stakeholder” and “Shareholder.” This structure keeps the debate fair, organized, and engaging while helping students practice concise argumentation and evidence-based reasoning.

Sample debate flow:

Group 1: argument for stakeholder capitalism
Group 5: rebuttal

Group 4: argument for shareholder capitalism
Group 3: rebuttal

Group 2: argument for stakeholder capitalism
Group 6: rebuttal

Group 5: argument for shareholder capitalism
Group 1: rebuttal

Group 3: argument for stakeholder capitalism
Group 4: rebuttal

Group 6: argument for shareholder capitalism
Group 2: rebuttal

Summary speech for stakeholder capitalism

Summary speech for shareholder capitalism

Discussion questions

After the debate, the teacher leads a reflective conversation to help students evaluate what they learned. The class reviews the strongest points from both stakeholder and shareholder perspectives, discussing how each could work in practice. Students are invited to share their views, explain why they changed their mind (or not). To conclude, students consider whether a balanced model could work, where companies seek profit while also addressing social and environmental impacts.

Leading questions:

1. Which argument in the debate did you find most persuasive, and why?
2. Can a company prioritize profit while still being socially responsible?
3. What risks come from focusing only on shareholder interests?
4. What risks come from trying to satisfy all stakeholders?
5. Who should ensure companies act responsibly: governments, investors, or consumers?
6. How do customer expectations influence which model companies follow?
7. Can you think of an example where a company successfully balanced both models?



8. How should success be measured in business if not only through profit?

Sources

<https://climatedebate.idebate.net/case-studies/should-companies-or-individuals-bear-the-burden-of-green-transition>

<https://www.theguardian.com/science/blog/2016/apr/13/can-game-theory-help-solve-the-problem-of-climate-change>

<https://harvardpolitics.com/climate-change-responsibility/>

https://climate.ec.europa.eu/climate-change/causes-climate-change_en

