

Critics cast doubt on CEO pledge to downgrade shareholders

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Corporate America's lobbying group, the Business Roundtable, says it will no longer put shareholders first — but critics aren't buying it.

The powerful business lobbying group, led by JPMorgan Chase Chief Executive Jamie Dimon, changed its definition of the purpose of a corporation Monday by giving employees, the environment and society at large equal weight to stockholders.

The move — supported by more than 180 of the nation's most powerful CEOs, including Amazon's Jeff Bezos and Apple's Tim Cook — upends the group's guiding principle of 40 years.

The Roundtable's announcement — claiming to redefine the purpose of a corporation to promote an economy that serves all Americans — also drew some skepticism.

“The bottom line is, I don't think much is going to change,” Dick Bove, a Wall Street analyst who covers banks, told The Post. One reason is that corporate boards don't want to lose their jobs. And if a board diverts too much money from shareholders — say in the form of pay — they risk corporate raiders like Carl Icahn booting them from the board, Bove said.

Icahn didn't respond to a request for comment.

Other critics said the change is all talk, no action.

“It would be one thing if they said we're endorsing having the Delaware courts change this particular legal doctrine, or we're endorsing a bill in Congress,” said Walter Olson, a senior fellow at the libertarian Cato Institute. “It's not really clear whether they're intending to replace any part of the system or do the same things are before, but ... smile more.”

“Voluntary pledges didn't end child labor, sweatshops, 18-hour workdays, elderly penury, noxious air, poisoned rivers, toxic financial products or much besides,” Anand Giridharadas, author of “Winners Take All: The Elite Charade of Changing the World,” wrote on Twitter. “Why do we trust them to end an age of corporate greed and vast inequality?”

The Roundtable and its members say they are to better generate long-term value, which benefits stockholders.

“The American dream is alive, but fraying,” said Dimon, chairman of Business Roundtable. “Major employers are investing in their workers and communities because they know it is the only way to be successful over the long term.”

The new principles push for companies to invest in their employees, to deal “fairly and ethically with suppliers,” “deliver value” to customers and “protect the environment by embracing sustainable practices.”

Roundtable spokeswoman Rayna Farrell didn’t respond to email queries seeking more details about the new statement.