

Can Social Responsibility and Corporate Profit Live Together? Maybe.

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The next time you bite into the rich vanilla cream with waffle cone layered in swirls of caramel found in a pint of Ben & Jerry's "Americone Dream" ice cream, consider this: That ice cream represents a struggle in corporate America to balance a socially-responsible mission with shareholder profits. Ben & Jerry's is a Vermont ice cream company, now owned by the corporation Unilever, that serves as a model for the struggle and conflict American companies may have as they work toward a concept called a double bottom line. The founders of the company, Ben Cohen and Jerry Greenfield referred to this as the "double-dip model." This double bottom line



strategy has been important to Ben & Jerry's, as the company has worked to make a profit but also promote progressive social values. However, this business model proved to be one that was difficult to maintain in its purest form and may have been a factor in the purchase of Ben & Jerry's by the corporation Unilever.

### **Background**



Ben and Jerry's began as a small company in 1977. It was so small that it was essentially just Ben Cohen and Jerry Greenfield selling scoops of ice cream from a stand. However, it would not take long for Cohen and Greenfield to begin to sell pints of ice cream in New England. As the company grew, Cohen and Greenfield, self-proclaimed "hippies" knew they wanted to maintain social responsibility and social action as an important part of their company's business model. Cohen would describe their efforts as "an experiment to see if it was possible to use the tools of business to repair society" (as cited in Page & Katz, 2010, p. 217).

As the company grew, it was this unusual business model that would help the Ben & Jerry's grow into a national name brand. The company's efforts to do pay living wages to employees, register voters, and donate substantial portions of their profits to charity proved to be effective in winning the hearts and minds of customers who were willing to pay more for a product made with social awareness. In addition to offering progressive benefits and wages to its employees, the company used products that were good for both the environment and people in its ice cream. For example, they purchased dairy from Vermont owners who were not using growth hormones in their cows and the brownies for the "Chocolate Fudge Brownie" recipe were purchased from a bakery that pledged to provide employment and support for the homeless (Page & Katz, 2010).



These practices garnered a lot of media attention and free advertisement for the company, helping it grow. By the time the company went public in the 1980's, it was doing well. The company continued to grow and maintain its double bottom line mission until the late 1990's when Americans became more health conscious and were not purchasing as much ice cream. It was at that time that shareholders began to question the social missions and the amount money being giving to charity.

### **Complications**

Even as sales were slowing for the company in the late 1990's, the company was being hailed as a positive example of how a company could make a profit and maintain social responsibility to people and the environment. In 1999, Ben & Jerry's was listed as the number one "socially responsible" company in America. This ranking, however, could not save the company from its struggles. Some analysts

argue that the American structure of ensuring profits to shareholders made the “double-dip model” one that was impossible to pursue. As companies, at least public companies, are required by law to do what is necessary to make profits for its shareholders, it easy to see how these values are, perhaps, just too competing.



### **Current Model**

However, there are those who assert that the values do not have to compete, and even though Ben & Jerry’s was not able to maintain this “double dip model” independently, Unilever, the current owner of the company has made efforts to maintain much of the social responsibility Cohen and Greenfield infused in the company from its inception. Today, the company can be described as a thriving company, though the sale to Unilever was certainly controversial and represents a big concern for those who want to see more efforts from American business to promote a double bottom line. Unilever no longer makes the same substantial 7.5 percent of profits donations to charity and have not maintained the same efforts to purchase healthy and environmentally sound ingredients. However, the company continues to be involved in voter registration activities, protest drilling in the Arctic, and support same-sex marriage legislation (Page & Katz, 2010). The pressures from consumers for the company to maintain some elements of social responsibility keep Cohen and Greenfield’s vision of a socially responsible company alive, though certainly not to the extent that the founders may have originally intended.



## Reference

Page, A. & Katz, R. (2010). Freezing out Ben & Jerry: Corporate law and the sale of a social enterprise icon. *Vermont Law Review*, 35(1), 211-250. Retrieved from [ebscohost.com](http://ebscohost.com).