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Sarah Light is an Assistant Professor of Legal Studies and Business Ethics at the Wharton School, University of Pennsylvania. Her research and teaching focus on environmental management, law, and policy, and the intersection between business innovation and environmental law. She seeks in her scholarship to expand "beyond EPA" in understanding what constitutes environmental law to private environmental governance, state and local governance, and positive law governing the corporation.

The Law of the Corporation as Environmental Law

A firm is not a black box with a pipe sticking out of it. Firm managers make decisions with environmental consequences long before pollution comes out of a pipe or a smokestack. Corporate law governs how firms are created and the duties their managers owe to firm stakeholders. Securities regulations govern the information that firms must share with investors. Antitrust law governs how firms behave in the marketplace with respect to competitors and customers. And bankruptcy law governs how firms wind down or are reorganized when they face financial trouble. Each of these fields of positive law governing the firm has significant implications for firm behavior with respect to the environment, yet they are not ordinarily considered part of the environmental law toolkit. To address fully the most pressing environmental problems of our time, especially when traditional federal environmental law is under extreme deregulatory pressure, non-traditional levers on firm behavior should play an increasingly important role. This Article offers a clarion call: the law of the corporation is environmental law.