

# Introduction: Why the Corporation?

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The corporation has become a dominant form of economic life. While corporations have been with us since the early modern era, their influence and importance have grown exponentially. Today, corporations are among the largest economic entities in the world. Their annual turnover is greater than the gross domestic product of all but the largest nation-states. A handful of large corporations dominate most key global markets. Corporations – and their extended value chains – are an important source of employment. Governments rely on corporations – directly or indirectly – for tax revenues, expertise, and economic development. Citizens rely on corporations for everyday needs such as transport, healthcare, food, and utilities such as power and electricity. If we really want to understand the contemporary economy, a good place to start is the corporation.

Corporations are not just economically important. They play a vital role in politics. Corporations have become political actors in and of themselves. For instance, in the USA, corporations have been granted the rights of free speech and religious freedom normally given to flesh-and-blood citizens. Worldwide, corporations often have a huge influence on the creation of international agreements and standards. For instance, large corporations play an important part in drafting international trade and investment agreements. In some cases, corporations end up playing a quasi-state role – particularly when governments are unwilling or unable to provide basic citizenship rights. For example, they have become important sources of welfare services, such as healthcare, education, and housing in some settings. With the rise of neoliberalism, many states have outsourced the provision of public services to corporations. In the UK alone, about 50 per cent of public spending is outsourced – and a majority of that spending goes to corporations. The result is that activities which only a few years ago were seen as a preserve of the state – such as

waging war or imprisoning citizens – have become corporatized activities.

In other settings, corporations have taken on a role of providing civic rights. For instance, social media companies like Twitter and Facebook claim to provide spaces of free speech. Some even claim that corporations now play a role in helping to guarantee political rights – such as the process of collective deliberation which takes place in company-sponsored ‘multi-stakeholder initiatives’. With the retreat of the state from direct service provision, the political role of corporations is likely to become even more pronounced.

As well as expanding in wealth and power, corporations have extended their social and cultural influence. In terms of geographic spread, the reach of large corporations is often more extensive than that of the most powerful nation-states. Corporations increasingly shape the social world of individuals. The very fabric of the cities which we live in is profoundly shaped by large corporations. For instance, it is impossible to get around Los Angeles without a car because the large automobile companies bought up and then decommissioned the public transport system in the early twentieth century in order to prompt demand for their own products. In addition, the millions of people employed by corporations find that their time is increasingly consumed by their working lives. At the same time, relationships between people outside work have become increasingly mediated by corporations. This happens because our shrinking amount of spare time is spent as consumers in corporatized spaces, which range from social networking sites, computer games, and television, to gyms, fast-food restaurants, and shopping malls. Sleep has now become a new frontier being prospected by corporations. Technology companies like Apple and FitBit provide technologies for tracking and optimizing your sleep.

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As corporations have started to mediate large parts of our social lives, non-corporatized forms of community have begun to shrivel. In the USA, there has been a massive decline in community organizations such as clubs and informal neighbourhood groups. The strengthening role of corporations – and general commercialization of social life – has helped in some cases to weaken extended family bonds. As alternative sources of conviviality have shrunk, the role of the corporation has been extended.

The result of this ongoing corporatization of life is stark: we rely on one organizational form to feed us, clothe us, help us communicate, socialize us, employ us, transport us, defend us, entertain us, heal us, educate us, and much more. No longer is it the state which brings us into the cradle and then lays us out in the grave. It is, increasingly, the corporation. What's more, we have invested the corporation with expanding rights and powers. As the corporation grows in stature, taking over various aspects of social life, other organizational and social forms go into decline. Consider the US banking industry – this sector was once a good example of a mixed ecology of different organizational forms: there were community banks, large corporations, co-operatives and even very successful state-owned banks. However, in recent years there has been a long-term decline in the size of the market share held by community banks and a corresponding increase in the market share held by corporations (Davis, 2016). This kind of corporate monoculture which has taken hold in the US banking sector is repeated in many different sectors around the world.

As the corporation has increasingly become the only game in town, actors – both individual and collective – have tried to work within their confines. Individuals try to find a stable position within a corporation in the hope of gaining a decent wage as well as opportunities to lead a dignified life. Cities and regions build up infrastructure in the hope of attracting corporations to provide economic opportunities. States try to come to mutually beneficial arrangements with corporations to prop up their tax bases. Protest groups focus their efforts on corporations to create social change. Non-governmental organizations (NGOs) in developing

countries work with corporations to deliver development aid.

The disadvantaged are now seen as the people who have been abandoned or overlooked by the corporation – the marginalized populations, the discriminated peoples, the overlooked community. The solution to these groups' social suffering is often thought to involve extending the reach of the corporation even further: people who are discriminated against should be included through diversity initiatives; communities who do not enjoy the fruits of corporate activities should be engaged through corporate social responsibility (CSR) programmes. Although framed in terms of well-meaning intentions, often there is a disturbing assumption lurking underneath these ideas – that a life outside the corporation in the twenty-first century is akin to how Thomas Hobbes described a life lived outside of the state in the seventeenth century: nasty, brutish, and short (Hobbes, 1651).

### **An Uncertain Future for the Corporation**

As the reach of the corporation has extended, many problems have begun to appear. Perhaps the most obvious is that people are not always welcoming towards corporations. Often people continue to resist the imposition of corporate power in various aspects of life. This takes many forms: from employees who seek to avoid corporate control within their jobs, to well-coordinated social movements that push back against corporate power, clandestine attacks from fluid networks of activists, and even states which try to put limits around the power of corporations. All these forms of contestation mean that corporate power is continually challenged and questioned.

Corporate power in itself may be considered problematic for democracy, for example. Additionally, the corporation's power is said to allow it to continue to produce the 'negative externalities' of widespread environmental and social harm. The complication which corporations face is a rising chorus of voices from across the political spectrum questioning whether the current form of the corporation is a mechanism which encourages irresponsibility. This argument was strikingly

captured by Joel Bakan. In his book *The Corporation*, Bakan argues that corporations have a callous disregard for others and are motivated by pure self-interest. He suggests that the individual people at work within the corporation set aside their own moral convictions when taking decisions in the name, and for the benefit, of the corporation. This makes the corporation a psychopath (Bakan, 2005).

Critics like Bakan, and a rising number of social movements around the world, are pointing to the increasingly disastrous economic, social, and environmental consequences which they claim large corporations have caused. A common theme is that gains are often privatized while various costs are socialized – becoming the responsibility of nation-states, communities, and individuals. For instance, when a large firm downsizes, it may reap a significant gain in its share price – resulting in private gain for investors. But this decision will also create significant external social costs such as unemployment. These costs will need to be picked up by families, local communities, local governments, and the nation-state. What is particularly insidious about the corporation, some have pointed out, is its limited liability structure, which allows individual shareholders to avoid taking responsibility for corporate wrongdoing. The ‘corporate shield’ created through its separate legal personality moreover protects individuals within the corporation. For instance, when large corporations have been found responsible for death or damage to health, key decisions-makers like senior executives are often able to avoid prosecution through pushing responsibility onto the company. The company, in turn, can shift the costs of fines onto workers and consumers.

Until recently, critics of the corporation who have been focusing on the irresponsible nature of the corporation have mostly highlighted how contemporary corporations have failed a range of social and environmental stakeholders. Currently, a new set of critics has also begun to ask whether the corporation is actually failing to work economically in the way intended by its promoters. For instance, Lynn Stout has asked whether the corporation (at least in its current form) is actually the best mechanism for creating and driving economic growth. She reminds us that, far from being an engine of economic growth, corporations have become the opposite.

And what is worse, the corporate form seems to be generating huge amounts of systemic risk. Corporations are failing even the single stakeholder group they are supposed to serve – their shareholders (Stout, 2012).

The final criticism which has appeared in the last few years takes this theme even further: the corporation is under threat. Rather than growing in numbers of employees and creating longer-term returns, corporations have actually been downsizing and outsourcing. This argument has been put most strikingly by Gerald Davis (2016), who points out that, today, the largest US corporations in terms of market capitalization actually have very small numbers of employees compared to companies of a comparative market cap 50 years ago. Many of these are technology, design or ideas-led companies (e.g., Facebook) and those which rely on outsourcing of all production (e.g., Nike), and/or an army of ‘freelance’ contractors (e.g., Uber). Moreover, public listing is no longer the desirable sign of a corporation ‘coming of age’, with listings declining globally. Alternative forms of organising production, including cooperatives, are on the rise. The corporation as we knew it, the large publicly listed industrial conglomerate, is disappearing – at least from the West.

This leaves us at a fascinating juncture. Corporations seem to be vitally important to all aspects of economic, social, and political life. They have become one of the most dominant ways of organizing collective action. Yet, they appear to be failing in a number of important ways.

## Studying the Corporation

Given the importance of the corporation, we would expect a thriving field of scholarship. And to some extent, there is. There are entire subfields in particular areas devoted to the study of the corporation. Perhaps the most developed of these is law, where there is a tradition of scholarship over a century old that explores what the corporation is, what kinds of legal rights and responsibilities it might be afforded, how it should be governed, and how this differs in different jurisdictions. There is also a long tradition of scholarship on the question of the corporation in

economics. One of the constant questions that economists have dealt with is why corporations even exist when markets are supposed to so efficient. We should remember that economists have always been somewhat suspicious of the corporation. For instance, in *The Wealth of Nations*, Adam Smith warned that because company directors are the managers of other people's money rather than their own, 'Negligence and profusion ... must always prevail, more or less, in the management of the affairs of such a company' (Smith, 1776).

In recent years, the lawyers and economists have been joined by other disciplines in studying the corporation. Historians have shown a keen interest in the role of corporations, like the British and Dutch East India companies, in the creation of modern world. Sociologists have been fascinated how corporations distributed power in twentieth-century societies. Anthropologists have investigated the role of corporations in shaping cultures throughout the world. Geographers have charted how corporations have profoundly reshaped the cities and other spaces in which we live. Scholars in management studies have traced how the corporation has changed during the last century and what that means for management and employment practices. And accountants have followed the role which book-keeping practices have played in the rise of the corporation.

In each of these different fields, there have been attempts to map out the profound influence which corporations have over our lives. Scholarship in each field has yielded many important insights and sparked many lively debates. So, in many ways, there is already a thriving field of scholarship about the contemporary corporation. However, in our eyes this scholarship suffers from two pressing problems.

The first problem we see is that debates about the corporation tend to remain stuck in disciplinary silos. The rich debates which take place in law about the nature of the corporation rarely inform discussions in other fields – such as management studies. As a result, people working in management studies can almost ignore the fact that the corporation is a legal entity with its own specific history and controversies. And the opposite is also true. Lawyers can become stuck in their own intra-

disciplinary debates about the corporation and myopically focus on how the corporation is to be governed legally. By doing this, they can ignore how corporations are full of people attempting to achieve a whole range of different aims which are rarely captured within the law. The result is mutual ignorance, whereby scholars from different fields labour on and remain largely blind to what others have discovered about the corporation. To be sure, there are some intellectual landmarks which cut across disciplines – such as Berle and Means's 'The Modern Corporation and Private Property' (1932) or Jensen and Meckling's 1976 paper on the theory of the firm. However, these points of interdisciplinary connection are few and far between. This makes it difficult, if not impossible, to begin to bring together a common body of scholarship around the corporation.

The second problem is that much of the work on corporations has what Max Horkheimer called 'traditional theory' (Horkheimer, 1972). Broadly put, this is scholarship based on the assumption that the ideas which different thinkers develop about the corporation are in some ways separate from the object they are seeking to understand. This lets scholars simply assume they are just trying to explain at a safe distance how and why the particular object works. It also transforms that object into a natural and inevitable phenomenon. However, the fact is that our ideas about any social phenomenon like the corporation are not separate from it. Rather, the corporation is itself to some extent an idea which has been made into an economic, legal and social reality. What's more, the ideas we have about corporations – whether those are in law, economics or management studies – can have a profound influence on how corporations operate. Consider the example of agency theory. In the mid-1970s, this idea was seen as a radical and even unrealistic idea about how corporations might operate in theory. However, as the idea was taught to successive generations of business-school students, it came to be treated as a reality of how businesses operated. The result was that business executives started to act as the models of agency theory predicted (Ghoshal, 2005). This story reminds us that ideas about the corporation are by no means value free. Rather, they are deeply

influenced by the interests, views, and power relations of the people pushing them forward. Ideas about the joint stock corporation in the nineteenth century often represented the interests of Victorian industrialists. Ideas about the managed corporation of the early twentieth century served the interests of the swelling executive class of the time. Ideas about agency theory served the interests of the growing financial elite of the late twentieth century. To properly understand the corporation, we need to treat it as a powerful idea which is made real by someone for some purpose. We must recognize that thinking about the corporation is usually connected with attempts to reformulate the corporation – often in the interests of powerful groups. What’s more, the ideas about the corporation do not just empower some; they also serve to disempower others.

If the study of the corporation is bedevilled by two major shortcomings – (mono)disciplinary approaches and non-critical thinking – then we think a more fruitful study of the corporation might start out with two very different suppositions. First, it should be interdisciplinary in scope. This would mean it would engage across a range of intellectual disciplines, trying to patch together knowledge and ideas to connect debates which cut across what can often be narrow intellectual concerns. This would mean bringing together ideas which come from law, history, and management, for instance, to forge new insights. Second, it should be critical. This would mean trying to situate ideas within their historical context, consider the interests lurking behind many ideas associated with the corporation, show a willingness to question these ideas as well as the assumptions and silences which they are founded upon, and even have transformative intent behind this process of questioning. Though the call for interdisciplinarity is an invitation to cross intellectual boundaries, criticality is an invitation to question taken-for-granted assumptions. By doing both, we think it is possible to generate a richer conception of the corporation, which in turn could inspire more creative and effective solutions to the problems identified.

We don’t see interdisciplinary and critical ideas about the corporation as the only ones that are worth pursuing. There are many other worthwhile disciplinary debates about the corporation. There are

also many important non-critical discussions around the corporation which also probably need to take place. Plus, there has clearly been critical work, even within conventional disciplines, which has been valuable in expanding our discussions about the corporation – fields like critical legal studies and critical management studies come to mind. Finally, there is work which is non-critical but interdisciplinary which has made important contributions to the debate about the corporation – the interdisciplinary field of law and economics comes to mind. Each of these existing approaches to doing research has something to add. However, we also think that a more healthy and thriving field would provide space for a range of forms of inquiry. Furthermore, we think that up until this point, there has been a dearth of work which is explicitly interdisciplinary and critical in scope. We hope this handbook opens up space for this kind of work to take place.

### **An Experiment in Critical and Interdisciplinary Approaches**

This handbook was the product of a chance encounter. During the high tide of the Occupy protests in the autumn of 2011, André was walking home through Shoreditch, a hipster neighbourhood in central London. He noticed that a door of a building which had been vacant for years was open. Someone was standing outside, smoking a cigarette. This caught his attention, and he approached the lone smoker to ask what was inside. ‘It’s the old Shoreditch police station’, the smoker said. ‘There are even jail cells, and a courtroom! We occupied it a few days ago. Do you want to come in and take a look around?’ As André and this new occupant of the Shoreditch police station walked around the building, the story of how it had been taken over was told. A few days before, a group of protestors had squatted in the building. Part of the act of taking over the building had involved a small tank – a theatrical flourish more than a military manoeuvre. After a few days inside, the owner of the building – an Indian hotel company – agreed to let the protestors stay for a month. This allowed them to plan a series of performances and parties. They

also wanted to hold mock trials of prominent public figures whom the protestors thought had fallen foul of the law. The person showing André around the building asked if he knew any lawyers who would help out. André thought about it for a moment – no, he did not. But he thought that there must be some in his university’s law school who might be interested.

A few days later, André sent a series of emails to people in the law department who appeared to be interested in social justice issues (at least from their profile on the departmental website). Only one person responded – and that was Grietje. Grietje had just completed a doctorate on the role of the corporation in international law and had started as a lecturer at the City University Law School. Grietje was sceptical of the idea of mock trials, but did want to find out who else was researching the corporation in different departments of the university.

After an exchange of emails, we met up in person in a coffee shop which was usually full of a strange mixture of IT entrepreneurs, music students, professionals who worked in London’s financial district and local residents. In this decidedly non-academic space, we swapped notes. We discussed what our respective research interests were and what we were working on. We quickly discovered a mutual interest in developing a critical approach to the corporation. But we also found that there was little overlap between the debates in each of our fields. From that first conversation, we had already learnt a lot. We also realized that we knew little about what other disciplines thought about the corporation.

This recognition of our mutual ignorance led us to organize a meeting of scholars we knew were working on the corporation as their main research focus. About twenty people turned up. They included academics in law, criminology, sociology, management and political science. We talked about our interests and the debates in our different fields. We all seemed to agree that the corporation was a vital topic, and we shared a desire to develop a critical account of it. We also saw that such a project required more interdisciplinary exchange. There were disagreements as well. We had different ideas about how to actually carry out the critique. Some thought a scholarly project which would lead to the development of

an interdisciplinary knowledge base about critical theories of the corporation was important. Others thought that a better approach would involve more direct intervention through a piece of work focused on changing policy or supporting activists. One expressed the view that our work was wasted unless our goal was to bring down the corporation. Already we realized that this project was likely to take us in different directions.

Following this initial meeting, two different strands, of what became known as the Critical Corporation Project, began. The first was a more policy-focused piece of work. This pulled together scholars from a range of disciplines to outline problems with current conceptions of the corporation and what might be some policy interventions which could help to reform corporations to make them less damaging to the wider economy and society. The result of this work was published in the book *Fighting Corporate Abuse* (Corporate Reform Collective, 2014). It was launched in the UK houses of Parliament by the shadow chancellor, John McDonnell.

The second strand of work focused on developing an interdisciplinary debate about the corporation. The aim of this work was more scholarly in focus. We wanted to develop an explicitly interdisciplinary knowledge base of critical work on the corporation. But, perhaps more important, we wanted to create a community of critical scholars interested in the corporation. To do this, we decided to organize a series of workshops where researchers from different scholarly areas could present their research findings and ideas. Our hope was that we could collectively learn how the corporation is seen from different disciplines. Because we set out with an explicitly critical agenda, we also wanted to involve various people from the world of practice. Our rationale is that just engaging in academic debate isn’t enough – often the most incisive critics are ‘organic intellectuals’ working beyond disciplinary fields. This meant that engaging journalists, people working in NGOs, union officials, politicians, people working in think tanks, consultants and even company executives was important.

We began with a seminar on corporations and crime, and moved through a wide range of issues including CSR, the history of the corporation,

shareholder value, financialization, resistance, value chains, alternatives and much more. Each time we would invite three or four speakers from different disciplines, to give their take on the topic and to see what synergies would arise between them. Often we would hold public debates on these issues – which would draw an audience from many walks of life: from radical activists to people working in large corporations. The debates were lively, to say the least. For example, a panel on the Rana Plaza disaster and the concept of sustainable fashion saw radical journalist, filmmaker and activist Leah Borromeo lock horns with a London College of Fashion designer, a garment buyer for Marks & Spencer and Marxist author and journalist Tansy Hoskins. Another panel saw labour organizer Ewa Jasiewicz put City University's own CSR credentials to the test when she found the staff serving the post-panel refreshments were not being paid a London Living Wage. Other panels, including 'Do corporations rule the world?' with Dan Danielsen, Susanne Soederberg, Lorraine Talbot and Anastasia Nesvetailova, were, perhaps surprisingly, less controversial. Dutch anthropologist and banking blogger Joris Luyendijk (author of *Swimming with Sharks: Journey into the World of the Bankers*, 2015) chaired one of our best-attended debates on financialization, which included Mike Power and Colin Mayer.

These seminars and panel debates received generous support from the UK's Economic and Social Research Council. This meant we were able to bring scholars from across the world to London to share their ideas. During these seminars, we began to gain an understanding of how people from different disciplinary backgrounds viewed the corporation. In order to make more widely available the lessons we had learned from the seminars, we decided to compile most of the contributions into this handbook, with the interdisciplinary seminar contributions forming the basis for the thematic chapters.

During this process, we began to learn about some of the challenges involved in doing interdisciplinary work. The most immediate challenge is that creating dialogue between groups from different disciplinary backgrounds is often difficult. People working in separate disciplines typically have different scholarly languages; they work from

radically different bodies of literature and intellectual traditions; they use different concepts; and they hold very different sets of assumptions. Even processes of reasoning, basic assumptions and modes of argumentation are radically different. This sometimes led to researchers either misunderstanding one another or talking across each other. Polite mutual ignorance seemed to be more common than heated conflict.

The second challenge we encountered in this interdisciplinary work was discovering the many very different conceptions of what the corporation is. For some it was a legal fiction. For others it was an economic entity. For others still it was a set of social relations. The corporation looked very different depending on the discipline, theoretical framework or political viewpoint you approached it from. It seemed to be impossible to draw together into a single framework these radically different understandings of what the corporation was.

The final thing we recognized is that it was not simply that we were talking different languages about a different object of analysis. Rather, it was that the very language which we used was rapidly evolving. During the four or so years, we have been working on this project, we witnessed a rapid expansion of the literature on the corporation. There have been hundreds of new studies published in each of the disciplinary areas. Furthermore, the very object which we study has been changing too. During the period, we have been working on this handbook, the shareholder value-driven corporation has been routinely questioned from even the most mainstream quarters. Furthermore, new alternatives to the publicly listed corporation are rapidly evolving. This has made our idea of developing a cross-disciplinary understanding of the corporation something of a moving target.

In addition to learning about the challenges of critique we also learnt a lot about the challenges of doing critical work in academia today. The first of these is associated with questions of what critique actually means. All of the people working in different disciplines came with their own intellectual lineage. Many of their fields have witnessed some significant critical movement. But each of these critical movements has been inflected in very different ways with quite different concerns. The result

is that how we do critique is very different in each discipline, even if some of the core concerns around the corporation are the same. There are different practices, different iconic reference points and, importantly, different solutions proposed for similar problems. One common quirk we found was that critical scholars often located the solution to the problem they have identified outside of their own disciplines. For example, sociologists might think the solution to corporate abuse is law, while critical legal scholars may seek the solution in social movements. Getting to know each other's disciplines better should at least allow us to test our proposed solutions more effectively.

The second major challenge we faced was the tension between different modes of critique. Some saw the critique of the corporation as a reformist endeavour. They saw intellectual inquiry as an important tool for making incremental changes to corporations in order to make them less harmful and more just for a greater number of people. Others saw critique as necessarily serving radical ends. Their hope was to do away with current conceptions of the corporation and to imagine something entirely and radically different.

The third tension we noted was around the question of how to engage more 'mainstream' audiences. We noticed that some preferred to work in dialogue with more mainstream approaches in order to try to move mainstream discussions in a more progressive direction by showing how critical theories might yield new insights. Others sought to work entirely outside the concerns of more mainstream theories of the corporation. Their aim was very much to create alternative analyses and discourses for use within their own critical academic and activist communities.

The final tension we confronted was the relationship between academic debate and public engagement. Some thought the most important contribution which a critical approach can make is to change policy agendas or support activists. For them, scholarship was only useful if it could support practical intervention. Others saw critique as involving the creation of new scholarly debates and communities. For these people, challenging and changing the technical debates within and between academic disciplines was just as important as

changing government policies or arming activists with intellectual tools. Our final Critical Corporation event was an 'Activists Meet Academics' skill-sharing and networking day on the theme of the corporate role in gentrification and the eradication of social housing, bringing together legal, accounting, and public policy scholars with professionals and activists from groups such as CorporateWatch, Architects for Social Housing and Concrete Action. We held sessions on how to read private property developers' affordable housing financial viability assessments (arguably the main way corporations seek to avoid building affordable homes: 35% Campaign, 2013; see also Wainwright, 2015), as well as how to organize a grassroots housing campaign.

Although these tensions have been difficult at times, we think they have also been productive. They have helped to create a series of contributions which move between reform and revolution, specialist academic debate and practical engagement, disciplinary specificity and interdisciplinary reach. Most importantly of all, the project has generated a huge international network of individuals working in one way or another on the corporation (in academia and elsewhere), who have within this network been able to identify and start learning from, sharing and collaborating with like-minded others.

## Disciplinary Perspectives

When we began this project, we asked ourselves what exactly a corporation is. There are hundreds of different definitions. We started discussing them, but the answers which we came up with were radically different. We realized that the corporation was not something which could be cleanly defined. Instead, the corporation means very different things in different disciplinary areas. For lawyers it is a legal person – or a nexus of contracts; for economists it is a hierarchical mechanism which is used to co-ordinate production and exchange; for anthropologists it is a community of people which gradually becomes a non-human actor; for geographers it is a mechanism for spatializing flows of capital, expertise and goods; for political scientists the corporation is a mechanism for distributing power; for



sociologists it is an institution which co-ordinates social relations; for accountants it is a production of various recording technologies; for management scholars it is a way of directing and controlling production. Instead of it being a faceless entity, as so many people suggest, we think the corporation is best seen as a hydra – a being with many faces. Each discipline captures just a glimpse of each one of these faces. Some scholars prefer to give each face a different name – for instance, calling the economic face ‘the firm’ and the legal face ‘the corporation’. Making distinctions between heads may be analytically useful at times. But – to push the metaphor a little further – we also think that we recognize that each of these heads (whatever you might like to call them) is ultimately attached to the same body. This body is not a thing, an object with neat boundaries, but in fact an ever-changing combination of ideas, relations, things, forces, people, processes, each moving along axes of time and space in a manner we can only ever grasp momentarily, as an assemblage (e.g., Kennedy et al., 2013). What this means is that in order to be able to engage with this many-headed amorphous beast, we need to observe it from a range of different disciplinary perspectives. This is what is done in the first part of the book.

In the chapter on historical treatments of the corporation, Philip Stern charts the emergence and shifting nature of the notion of the corporation. He also looks at how historians have conceptualized it. Stern shows how the corporation has historical antecedents which go back to the Roman empire. He looks at the emergent idea of a fictive person which was built into legal forms. These forms helped to shape the early modern nation-state. Stern also reminds us that many of the earliest references to corporations were to universities or charitable institutions. It was only later that the corporate form was introduced into commercial life. He also shows how the status of the corporation was something granted by royal charter. Stern reminds us that far from being new, public scrutiny of corporations was a common thing from at least the eighteenth century onwards. Anti-corporate sentiments did not begin with Occupy protestors; they were shared by many in the eighteenth century such as Adam Smith. What is interesting, Stern notes, is that despite this widespread concern about the corporation, it was

vigorously embraced during the nineteenth century. By the end of that century, it had become one of the most common commercial forms. During the twentieth century, corporations continued to grow in size – sparking a whole school of business historians charting the history of particular corporations. During the late twentieth century, historians realized that telling the history of the corporation meant telling a history of the wider societies in which they exist.

The chapter on legal conceptions of the corporation by Simon Deakin looks at how thinking about the corporation as a construct of law has changed. He begins with one of the central questions in law around the corporation – how do we conceive of this strange thing which is a separate legal entity from its owners? Deakin looks at the legal debates between those who argued that corporations were a convenient legal fiction and those who saw them as a real legal entity. He then traces how this debate was displaced by the arrival of agency theory during the 1970s. This approach largely conceived of corporations as being a ‘nexus of contracts’ between actors. It propelled shareholders to the head of the queue. They started to be seen as the primary beneficiaries of corporations. In doing so, it downplayed the claims which other actors – such as creditors and workers – might have on the corporation. It also helped to create the legal infrastructure for the growth of the widespread financialization of the economy which is now so dominant. This conception of the corporation has recently been called into question, Deakin notes. Following the 2008 financial crisis, many legal scholars have begun to explore alternative conceptions of the corporation. For his part, Deakin suggests the need to rethink the corporation as a form of common property.

In the chapter on economics, William Lazonick examines shifting ideas about the corporation in economic thought. Lazonick begins with the basic assumption in economics that, in the beginning, there was the market. He notes that the only role which seemed to be given for the corporation in this kind of thinking was as very crude enterprises which resemble sweatshops. He notes this bears no resemblance to how contemporary economies – which are actually dominated by large corporations – operate. To understand the contemporary

economy, Lazonick argues, we need to understand corporations. To do this, he returns to economic thought and notes the role which corporations played in works by economists from Adam Smith to Alfred Chandler. Here he finds a rich, but often overlooked, economic theory of the corporation. He notes that more recent economic theory – largely inspired by Ronald Coase – has tried to understand the role corporations play. But much of this still labours under the assumption that corporations are a kind of second-order construct to market dynamics. He argued this has done significant damage to how we think about corporations – and the way corporations operate today. What is needed, Lazonick claims, is a theory of ‘innovative enterprise’ which puts the longer-term sustainability of corporations at the heart of the contemporary economics.

Since its foundation in the late nineteenth century, some scholars in the field of sociology have set about studying the wider impact of corporations on society. In their review of sociological work on the corporation, Gerald Davis and Suntae Kim trace how the rise of sociology as a discipline has followed the rise of corporations. They note how American life always involved a significant suspicion towards corporations. This suspicion became codified in progressive-era policies which sought to restrain the power of the largest corporations. But an implication of the progressive settlement was that the large corporation became one of the central institutions in American life. To understand this institution, sociologists generated a sub-discipline of organization theory. This field developed a large conceptual lexicon to understand how corporations – as well as other complex organizations – operated. A central aspect of this was the distribution of power within the corporation and questions about who controlled corporations. Organization theory has also explored issues such as how corporations can be mechanisms for discrimination, how corporations interact with regulators and the relations between corporations. More recent work has documented emerging issues such as different forms of capitalism and the impact these have on corporations across the world, the role of information and communication technologies in reconfiguring corporations, as well as financialization and the

disintegration of the corporation. The central challenge for understanding corporations today involves trying to comprehend how they are simultaneously all-powerful and evanescent.

Another quite different way of seeing the corporation is as a community with a distinct culture. This is what cultural anthropologists do. In his chapter on the topic, Robert Foster looks at how anthropologists have studied corporations in varying ways. He begins by pointing out that anthropologists have long been concerned with the deep impact corporations can have on various communities and cultures that have been studied. Using the characteristic method of ethnography, anthropologists have explored how corporations influence people’s lives as producers, consumers and community members. For instance, they look at how communal life may have changed after the arrival (or disappearance) of a large corporation in a locale. They consider how corporations have been instrumental in the formation of many forms of popular culture and mass-produced goods (such as Coca Cola). They also explore the lives and cultures of people within corporations – such as employees, middle managers and various intermediaries who buy and sell corporations. As well as tracing the impact which corporations have on people’s lives, anthropologists provide a fascinating way of looking at corporations as cultural constructs – many of the ideas such as the separate personality of the corporation have a distinctly cultural aspect to them. Recent anthropological ideas offer an interesting way of looking at corporations not as ‘individuals’ but as ‘dividuals’ – a personhood which is created through reference to nodes on a wider matrix.

Another key field which has explored the role of the corporation is political science. In their chapter on the topic, Bastiaan van Apeldoorn and Naná de Graaff examine the field. They argue that, although it appears that the corporation is largely overlooked in political science, there is actually a rich and deep strand of work examining the issue. At the centre of this work is the question of how power is distributed within and around corporations. The authors show that work on corporate governance systems has considered how corporations are controlled through boards of directors. They point to the role which inter-firm networks – such as cross-holdings and