Capitalist Corporation, the

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History

The history of the capitalist corporation begins with early religious institutions that had commercial interests. The Dutch East India Company was chartered by the Dutch government in 1602 and is regarded as the first multinational corporation. It was granted wide-ranging political and economic powers. The establishment of the Dutch East India Company inaugurated many lasting trends in the history of the capitalist corporation, most notably raising capital through joint stock, the granting of substantial structural and organizational powers to corporations, and the role of corporations in remaking material relationships between colonized or subordinated populations and regions and the industrial economies of the global North.

The corporation eventually came to play a major role in fostering the Industrial Revolution in Europe. Although Karl Marx did not focus on the emerging corporate form, he accurately described the capitalist economic system in which corporations would take root, including the expansive nature of capital, the rise of monopoly power, and the persistence of economic inequality. He also explained the role of "fictitious capital," financial instruments such as stocks, and, more recently, hedge funds in the production of market bubbles. The emergence of Fordism (mechanized factory production) and Taylorism (rationalized managerialism) in the early twentieth century further textured how the Industrial Revolution altered the composition of class, gender, and community in Western societies as the power of the capitalist corporation expanded and became more thoroughly institutionalized. The rise of the corporate form can be understood as a key moment in the development of institutional and bureaucratic modernity in the West. The capitalist corporation has been central to the rise of new forms of social organization and historical consciousness and to the patterning of dynamics of conflict and allegiance in modern, secular society.

Two key legal developments that gave rise to the modern corporate form were limited liability and the fiction of corporate personhood. Limited liability refers to a corporate structure in which officers and stockholders cannot be held personally responsible for the debts or obligations of a company. Legal efforts to "pierce the corporate veil" by holding shareholders and corporate officers accountable for corporate liabilities have thus far met with limited success. Corporate personhood refers to the treatment of corporations as fictional persons, which allows them to make and enforce contracts on behalf of their investors and has many controversial implications, which in the United

States include the right to make unlimited contributions to electoral campaigns under the guise of free speech.

Production and consumption

Early work on the capitalist corporation in anthropology focused on labor and production and the community impacts and cultural effects of corporate capitalism. This work is characterized by a distinctively Marxist emphasis on colonialism and social relations of production. Michael Taussig (1980) examines how the magical beliefs and rituals of peasants and wage laborers in South America mediate their experiences of colonialism and capitalism. Aihwa Ong (1987) addressed the culture of factory labor in the postcolonial setting of Malaysia, where women factory workers somatized experiences of gender, ethnic, and class subordination in the form of spirit possession, offering a critical perspective on corporate capitalism.

By the late 1980s, work on capitalism in anthropology was shifting from concerns about production and labor to new questions about consumption and identity. Arjun Appadurai (1996) introduced the language of "global flows" into anthropological discourse, so that anthropologists increasingly focused on "commodity chains" and "following the thing" by examining how commodities, ideologies, styles, and other forms of consumption circulated as corporate capitalism organized modernity on a planetary scale. Appadurai's work on flows may be contrasted with Anna Tsing's (2005) metaphor of friction, by which she refers to the sticky interactions and arrangements through which globalization operates. As with Appadurai's work, the emphasis on commodity chains largely supplants earlier Marxist-inspired attention to the social relations of production. However, anthropologists continue to address the unequal relationships established through global strategies of procurement (Fischer and Benson 2006).

James L. Watson (2006) looks specifically at consumerism in the context of one corporation, McDonald's, showing how the establishment of the restaurant in Asian megacities such as Hong Kong, Seoul, and Tokyo reveals distinctively local forms of consumption and sociality. Rather than arguing for a process of cultural homogenization as McDonald's is globalized, Watson examines how the fast-food giant is incorporated into local patterns of culture. Even so, McDonald's powerfully changes local culture, instigating, for example, new ways of thinking about meal time, the pace of eating, or the habitus of standing in a line or loitering in public space.

Advertising and branding

Two distinctive elements of the ways corporations interact with consumers and competitors are advertising and branding. The former increasingly develops the affective dimensions of the person–product relationship, which go beyond sheer utility and therefore allow for a premium price. This can be seen as a new kind of value associated with consumer loyalty (Foster 2008). However, consumers can sometimes see through claims made by marketers. This is evident in critical "subvertisements" that

undermine the claims of corporate messages: that there's no such thing as "clean coal," that high-fructose corn syrup is not "natural," or that oil companies are interested in profits rather than people and the environment, despite their claims to the contrary (Sawyer 2010).

It is by now well established that corporations market themselves as well as the commodities they produce. A key narrative of corporate advertising is the promotion of the corporation as a "good neighbor," cultivating trust and reassuring consumers. Corporate philanthropy similarly activates a moral discourse that enhances the power of the corporation and undermines critique (Rajak 2011). By emphasizing the corporation's contribution to the common good, these practices influence how the public comes to ascribe personality traits to corporations—as caring, responsible, or reliable, for example, or the opposite.

Branding no longer focuses exclusively on the relationship between consumers and commodities but increasingly addresses the relationship between corporations and shareholders. In the era of shareholder capitalism, corporate reputations have become a valuable asset. Shareholder capitalism is associated with greater participation in the stock market by individual investors. In the United States, this has been spurred by the dismantling and privatization of public pensions and corporate retirement plans, as well as threats to entitlement programs. These trends push individuals to participate in the stock market despite widespread recognition of corruption and bias against small investors. Corporations are thus increasingly concerned with managing their own brand, even when they do not sell directly to consumers.

Using the example of Coca-Cola, Robert Foster (2008) writes about "shareholder democracy," in which investors use their voting power to promote corporate reform. A significant innovation in shareholder activism has been the establishment of social and green-choice investment funds, which have generally outperformed the market average due to their popularity and the resulting supply of capital. Consequently, even rather unlikely corporations and industries have lobbied for membership in these funds, often invoking claims to practice "sustainability" and "corporate social responsibility" as the rationale. However, it has proven difficult for shareholder activists to leverage their minority shares in transnational corporations to bring about significant reforms.

Corporations and globalization

Contemporary discourse on corporations in anthropology focuses on the multinational or transnational corporation. The mobility of contemporary corporations refers not only to their historical pursuit of cheap sources of raw material and labor but also to their movement into less restrictive regulatory regimes. Corporations are increasingly willing to relocate to evade liabilities and taxation, and the concept of the "transnational corporation" is intended to capture this quality of fluidity and predatory mobility. This includes the trend of corporate inversion, relocating headquarters overseas to avoid high taxation rates upon the repatriation of profits.

There has been a commensurate growth in international legal regimes that possess the capacity to regulate transnational corporations but almost exclusively protect their

interests. This can be seen in the standardization of property rights through such institutions as the World Intellectual Property Organization and such agreements as Trade-Related Aspects of Intellectual Property Rights, which establish binding international mechanisms for enforcing intellectual property rights. These are key mechanisms for ensuring a return on investment in the postindustrial information economy, from copyrights on Hollywood films to patents on pharmaceuticals, although they have been challenged on both economic (whether providing a short-term monopoly stimulates creativity and invention or promotes product "tweaking" to protect corporate value) and moral (in terms of limiting access to life-saving medicines) grounds.

Scholarship on globalization and transnationalism includes attention to free trade agreements such as the Central America Free Trade Agreement and the North American Free Trade Agreement, and the establishment of free trade zones, which have generally reduced regulation to the lowest common denominator and have had a chilling effect on national legislation by imposing penalties on states that try to raise existing environmental and labor standards. However, international trade agreements have increasingly been challenged on both the left and the right, including the Brexit decision in the United Kingdom against participation in the European Union and the opposition to the proposed Trans-Pacific Partnership in the United States by major party candidates on both sides.

Transnational corporations have become like states in the sense that they govern and shape populations and promote notions of accountability, responsibility, liability, and citizenship in their relationships to the populations where they operate and the consumers of their products. Transnational capitalism also drives experiences of optimism or expectation worldwide, despite the widening of inequality. Campaigns to raise the minimum wage to a fair living wage derive support from economic studies showing that the US government effectively subsidizes corporations such as Walmart and McDonald's to the tune of $153 billion a year by providing food stamps and other social supports to their underpaid workers. Meanwhile, the dramatic boom-and-bust dimensions of capitalism include both the "creative destruction" of leveraged buyouts and rapid product cycles associated with the dynamic information technology industry, which drive corporations from monopoly to bankruptcy virtually overnight, as occurred in the case of Blockbuster Video with the advent of digital streaming. These transformations also contribute to the heightened sense of vulnerability experienced by labor, promoting alienation that often appears in racialized terms, including xenophobic attitudes toward migration, rather than contributing to class-based solidarity.

James Ferguson (2006) writes about the corporate practice of "enclaving," which involves efforts to disentangle corporate capital from the national or local economy. Such movements of capital away from the social are also present in the intensification of offshore oil drilling and the emergence of new technologies for deep-sea mining. Also apparent are threats of new technologies—including robots—designed to supplant wage labor, yielding apocalyptic visions of future mass unemployment in the name of enhancing corporate capital—despite the resulting contradictions this would entail, as Henry Ford recognized long ago when he realized that manufacturing automobiles would not be profitable unless workers earned enough to purchase them.

Medical anthropologists and anthropologists of science, technology, and society have contributed to the study of capitalist corporations by focusing on pharmaceuticals, the legal arrangements that protect the intellectual property rights of drug companies, and the human impacts of these regimes. Adriana Petryna (2009) documents the international emergence of the clinical trials industry, much of which has taken place in the context of new market-based health care systems in postsocialist settings, and the extent to which clinical trials exploit impoverished populations to produce drugs for wealthier ones. Kaushik Sunder Rajan (2006) shows how pharmaceutical and biotech companies "hype" new products and the promise of life-improving therapies in order to accumulate capital and legitimize business practices that often reproduce health inequities on a global scale. This has led anthropologists to grapple with complex ethical issues related to human-subjects research and the influence of corporate practices and profit seeking on scientific research, knowledge production, clinical medicine, and global health.

The globalization of production and consumption spearheaded by the capitalist corporation takes many forms: not only the cultural imperialism of American imaginaries promoted by Disney and Hollywood but also the influence of Bollywood on diasporic identities. These developments, however, are increasingly complemented and even surpassed by internet-enabled social media, which generate international fads that attract billions of viewers. This suggests an important shift from the historical era of print capitalism and national identities to the formation of shared global identities generated through the internet that are not only compatible with but also facilitate shared consumption patterns and allegiances to global brands such as Coke and Nescafé.

Corporate strategies

The rise of corporate power in the context of the neoliberal economy has also spawned countermovements of critique ranging from the proliferation of nongovernmental organizations focusing on a wide range of corporate harms to the rise of anticorporate social movements. Corporations respond to their critics by employing a range of "corporate social technologies" through which they manage their relationships with various publics (Kirsch 2014). Examples include corporate oxymorons, figures of speech that seek to disable the critical facilities of the consumer or shareholder by pairing a term with negative connotations with a positive cover term. Popular corporate oxymorons include "clean coal," "safe cigarettes," and a whole range of "natural" or "green" products that are anything but. The resulting slogans become familiar and thereby appear plausible despite their inherent contradictions, and thus they resemble the concept of "doublethink" in George Orwell's dystopian novel *Nineteen Eighty-Four* (1948). A related strategy is the co-optation of the discourse of critique, in which corporations repurpose language that might otherwise be used to identify shortcomings of the corporation. They do so through a combination of identification—often through branding—and redefinition of key terms. Thus, despite their negative environmental impacts, mining companies claim to practice "sustainable mining." More generally, corporations claim to be socially responsible and transparent, thereby enhancing

their public image through their identification with virtuous qualities, all without necessarily changing their behavior and while simultaneously draining or diluting the critical potential of these concepts. These and other strategies—including the promotion of uncertainty and doubt—have helped corporations withstand critique and weather crises. Their ability to neutralize criticism may leave the public resigned to the harms they cause, but some workers find ways to resist. Fleming and Spicer (2003) have described the "cynical distance" of corporate employees who may use "hidden transcripts" to express dissent, such as the McDonald's employee who wears a "no logo" t-shirt under his uniform.

Methods and prospects

Anthropologists use multiple methods and adopt alternative positionalities when studying corporations, which fits the general scheme of "studying up." They look at how corporations wield symbolic and material forms of capital to organize markets, pursue profits, and structure relationships to governments, populations, and environments. Anthropologists also "study within" corporations, conducting ethnography in the context of corporate workplaces. It is possible that anthropologists who work within corporations will present uncritical descriptions of the corporations they study because ethnography is an inherently sympathetic mode of analysis and can lead to the reproduction of insider perspectives as naturalized or decontextualized. Anthropologists also increasingly "study for" corporations, using ethnographic methods to better understand how consumers use the products they produce, enabling corporations to adapt their products and services to the marketplace. Observations from the practitioner's point of view are promoted as the equivalent of participant observation in the new corporate ethnography (Cefkin 2010), enhancing our understandings of the inner workings of corporations and contemporary capitalism. However, the second and third categories of corporate ethnography increasingly overlap and the resulting identification of these studies under the rubric of "business anthropology" threatens to drown out more critical perspectives on the corporation.

   Another angle from which anthropologists examine corporations is the study of social movements, including dissent that emerges in reaction to corporations becoming active protagonists of political discourse. Ethnographers have also explored the local impacts of corporate behavior and organization. Peter Benson (2012) documents the deeply racialized context of tobacco capitalism fostered by the tobacco industry in the American South and other parts of the world in which multinational tobacco companies are rooted. Organizational studies of how corporations inculcate certain values and discipline their workers, and the role of corporate hierarchy in sanctioning practices that perpetuate corporate harm, suggest new avenues for the anthropological study of the corporation. A key debate in the anthropology of the corporation is whether or not to follow the lead of anthropologists studying the state by disaggregating the organization into its various components. This is the path chosen by Marina Welker (2014) in her study of an American mining company operating in Indonesia. She argues that studying the corporation requires examining how different values

coexist within the organization and how their interactions shape corporate behavior. Alternatively, scholars such as Peter Benson and Stuart Kirsch (2010) emphasize the effects of corporations on the external world. This includes the way they contribute to the politics of resignation: the powerful structure of feeling that conveys the sense that one has no real political choice, as exemplified in the popular American vernacularism "whatever." Corporations foster resignation through their responses to critique, initially by denying that problems exist and subsequently by limiting their responses to largely symbolic gestures. Only when the problems facing a corporation or industry become too great to deny and opposition becomes too effective to ignore are they willing to participate in a politics that leads to regulation and management. Benson and Kirsch argue that political resignation is misunderstood when it is conflated with capitulation, and they suggest that understanding how corporations respond to critique can facilitate political action.

There is also a need for greater attention to the role of the corporation in the academy. In the United States, legislative acts have facilitated corporate–industry investments in universities and research, especially in the so-called STEM fields of science, technology, engineering, and mathematics. The government subsidizes research on defense, education, and the life sciences in ways that often benefit private firms. Corporate sponsorship of academic activities has reached unprecedented levels and reflects the ways scholarship can contribute to branding, allowing corporations to cite scientific research and knowledge as a means of justifying modes of production and consumption practices. One example is the 2015 revelation that the Coca-Cola Company funded research that de-emphasized the relationship between sugar consumption and obesity. The virtuous language of "sustainability" and "responsibility" increasingly unites corporate claims and academic discussion, posing a threat to critique and critical research, while market-based models for solving problems of corporate governance diffuse unimpeded from business schools throughout university curricula.

New trends in economic behavior include the role of "do-it-yourself" forms of production and consumption, including working at home, as a counter to corporate modes of organization. However, such practices also function as incubators for successful business models that can eventually be scaled up. Corporate products can be transformed through "hacking," which includes a variety of practices ranging from the repurposing of existing technologies to fan fiction and the manufacture of counterfeit luxury items. Practices of hacking also include small-scale acts of resistance, such as the fast-food worker who asks customers for exact change and fails to ring up sales at the till, pocketing the payment, although such practices may result in countermeasures including increased corporate surveillance and offering customers a free meal if they are not given a receipt.

Green capitalism, ethical consumption, and new trends in urban development do not so much challenge corporate capitalism as present convenient ways for small numbers of people to opt out of the larger system—offering boutique solutions for the elite rather than genuine alternatives for the masses. Anthropological critiques of the corporation cannot avoid engaging with larger social and environmental problems, including the corrosive problems of inequality and the threat of global climate change, which suggest

the need for structural changes to the economy and improved governance of transnational corporations.

SEE ALSO: Advertising; Brands; Business Anthropology; Capitalism; Consumption; Corporate Social Responsibility; Corporations; Economic Anthropology; Finance;Globalization; Indicators, Politics of; Industrial Workers; Marketing; Mining; Pharmaceuticals; Privatization; Public Sector versus Private Sector in Development; Self-Sufficiency; Transnational and Multinational Corporations; World-Systems Theory

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