

The Nature and Purpose of the Corporation – A Roundtable Discussion

Stephen Dunne, Sam Mansell, Martin Parker and Jeroen Veldman

Towards the end of 2013, the University of Leicester's Centre for Philosophy and Political Economy (CPPE) marked its 10 Year Anniversary by organising a 3 day event on the theme of exhaustion. During this event, a roundtable discussion was devoted to the modern corporation. The participants were Sam Mansell, author of *Capitalism, Corporations and the Social Contract*, Martin Parker, co-author of *The Dictionary of Alternatives*, and Jeroen Veldman, co-founder of *The Modern Corporation* project. The discussion was chaired by *ephemera*'s Stephen Dunne.

Stephen Dunne (henceforth SD): What has been really interesting throughout the event – for me at least – has been the discussion of philosophy and political economy with respect to differing sites of agency. We've heard many very different accounts: some which focus upon individuals, others on classes, others on parties, others still on social movements. We've also heard a few smart-arses using the term agency ironically, between parentheses, under-erasure, and so on. What I haven't yet witnessed, however, is a serious attempt to theorise the agency of the corporation. That's what I'm shortly going to ask the panel to start doing.

So, audience, from your left to your right – geometrically but perhaps also politically speaking, let me briefly introduce our three speakers. Here we've got Martin Parker who is probably going to tell us something about radical and alternative forms of organising. There we find Jeroen Veldman who will likely speak about the legalities and metaphysics of the corporate form. Further along we observe Sam Mansell, with what is perhaps the toughest job of this panel, given this crowd: describing the corporation as something *other* than a source of evil.

I've asked each speaker to outline their position on the nature and purpose of the corporation, from the perspective of their research, for no more than 10 minutes. They're then going to cross-examine one another for about 30 minutes. Finally, we will open up to the floor for questions.

Sam, let's kick off with you: what's the nature and purpose of the corporation?

Sam Mansell (henceforth SM): Evening everyone. It's not difficult to appreciate the importance of this question if we look at the range of examples of corporate irresponsibility from recent months and years: tax avoidance and evasion,¹ the horsemeat scandal,² environmental degradation,³ the Deepwater Horizon tragedy in the Gulf of Mexico in 2010 and the ongoing repercussions of that incident.⁴ We also have the exploitation of sweatshop labour in the developing world⁵ and, closer to home, recent reports of working conditions in Amazon warehouses.⁶ Excessive levels of executive pay⁷ and numerous scandals in the banking sector⁸ are also never far from the headlines.

¹ See, for example, <http://www.theguardian.com/politics/2015/feb/23/hsbc-scandal-george-osborne-tax-measures>

² See <http://www.telegraph.co.uk/foodanddrink/10572470/Horsemeat-scandal-a-year-on-nothing-has-changed.html>

³ Professor Rob Gray at the University of St Andrews provides this overview of the problem:

<https://www.youtube.com/watch?v=-uCSapy9gzY>

⁴ See BP's response to the issues: <http://www.bp.com/en/global/corporate/gulf-of-mexico-restoration/deepwater-horizon-accident-and-response.html>

⁵ See this report from War on Want: <http://www.waronwant.org/campaigns/supermarkets/fashion-victims/inform/16360-fashion-victims-ii>

⁶ See this report: <http://www.dailymail.co.uk/news/article-2512959/Walk-11-miles-shift-pick-order-33-seconds--Amazon-works-staff-bone.html>

⁷ See, for example, <http://www.bbc.co.uk/news/business-27155622>

The list goes on and it leads me into a question: if these events are unacceptable then what, if anything, is acceptable? What objectives can we expect corporations to have? What ethical values might constrain their behaviour? These questions underpin an exploration of the nature and purpose of the corporation.

Let's start with the corporation. Do corporations have a nature? My position is that they are inaccurately described as natural entities. They are artificial, fictive entities, the product of human design with the status of legal persons. The very concept of the corporation implies the making of a unity where one did not exist before. Elements that were previously separate are incorporated into an artificial body or body corporate, something which comes into being as a product of human artifice. This body, this corporate body, cannot be found in nature. It arises through a conscious act of human will: it is an agreement, a contract. This also distinguishes it from a metaphor for a group of individuals or a synonym for the participants of a common enterprise.

A corporation necessarily exists, I would say, as a result of an explicit agreement or contract. We should see it as a distinct person before the law, which contracts with other entities as if it had a single will distinct from the different wills and interests of members. An aggregate of separate legal persons, each with independent rights before the law, cannot have their separate interests represented by the one single will, except through common agreement: the corporation is the outcome. For example, a majority decision reached by corporate shareholders, say to elect or fire a director, is binding for all the shareholders of that corporation, not merely those that voted in favour of it.

As to the corporation's purpose, it surely follows from the interests of those persons who agree to let the corporate will stand in place of their individual wills, where the affairs of the corporation are at stake. Now, who has the right to participate in determining what the corporate purpose should be? Who, in other words, are the corporate members? UK and US Company law tends to make shareholders the answer to this question. Fine, but are there any other stakeholder groups, for example customers, suppliers, employees and so on, that ought to be recognised legally or morally as corporate members? That's the question I tried to answer in my book (Mansell, 2013).

There I engage, specifically, with social contract models of the corporation which try to derive the corporate purpose from an analogy between corporate stakeholders and the citizens of a state. The problem with this approach is that a ground for common agreement, across stakeholder groups with diverse sets of interests, is extremely difficult to find. Take, for example, the interests of customers as opposed to those interests of employees – a tension which goes to the heart of sweatshop labour controversies. Here, the corporation cannot be understood, as stakeholder theory would have it, as a mutually beneficial compromise between different groups of interest. My book concluded with the suggestion that no defensible arguments have yet been given for the extension of corporate membership beyond shareholders. I argue at the same time, however, that the corporation should not be identified with the shareholders, simply as an aggregate of individual investors, but only insofar as they have a single artificial will as members of the body corporate. In other words, insofar as they have a *corporate* will. What this means in practice is that individual shareholders can participate in the determination of the corporate will by voting on decisions taken in general meetings. If you own 10% of the shares in a company you don't own 10% of the corporate assets but 10% of the voting rights.

⁸ See, for example, this list: <http://www.channel4.com/news/five-other-banking-scandals-since-2008>

We can certainly debate the ethical standards of shareholders and we should certainly hold boards of directors accountable to these. UN initiatives such as the Global Compact⁹ and the Principles for Responsible Investment,¹⁰ or the Global Reporting Initiative,¹¹ come to mind in this connection. Ethical arguments can help us establish the broad purposes that ought to be pursued through the corporate form beyond, or perhaps to some extent instead of, traditional financial performance objectives. This approach is preferable to the stakeholder approach precisely because it has an answer to the question of whose interests the corporation exists to serve. I'm happy to elaborate on this later but for now I'll hand over.

SD: Thanks Sam. Jeroen, where do you differ - and not - with what Sam has just outlined?

Jeroen Veldman (henceforth JV): OK, thank you Sam and hello everybody. Where I'm going to make a distinction is on this question of corporate nature. I've regularly asserted that, historically speaking, the corporation has only recently come to be spoken of as a private entity (Beverungen et al., 2014). From around the 13th century until the beginning of the 19th century, it was understood as a solely public entity. At the end of the 18th century, after the French revolution, the corporate form is radically revised: when you no longer have kings, you can't have a concession (see Maitland, 2003). Because people now pay to get a concession from a state consisting of individuals who get to determine who gets a license and who does not, the accusation of corruption is never far away (see Bowman, 1996). This was one of the main arguments to open up the concept of incorporation to all individuals and for all purposes, allowing the use of this special legal concept for private purposes. Subsequent innovations are the attribution of ownership to a separate legal entity, the automatic attribution of limited liability from the middle of the 19th century, and the idea that one separate legal entity can 'own' and buy or sell another one by the end of the 19th century.

As a result, by the start of the 20th century, the corporation as a private entity relates to at least three different legal theories about its status (see Dewey, 1926). Firstly, following from the idea that the state gives the concession that is needed for perpetuity and limited liability the corporation is seen as an artificial entity. Secondly, arguing that the corporation is a specific type of group representation, which creates a legal representation as a 'body' apart from the state, the corporation is seen as a natural entity (see von Gierke, 1968; Maitland, 2003). Finally, the third position says, well, if you're talking about a corporation you're essentially talking about a partnership, an aggregation of individuals. This is obviously problematic, as a corporation is a different thing from a partnership in the legal perception and its functioning (see Ireland, 1999).

On the basis of this history, my position is that the contemporary corporate form is intrinsically incoherent, usually understood today through two very different philosophies. On the one hand we are dealing with a reduced construct which theoretically appears like it can be understood through methodological individualism: the corporation is a voluntary private contractual aggregation, more or less in line with what we just heard from Sam. At the same time legal theory has also produced a single reified economic construct which can be attributed with agency, ownership and rights in its own right (see Mayer, 1989). That single reified agent is not just accepted in the legal sphere, it is also accepted in the economic sphere: it becomes conflated with the idea of how you can have economic agents in markets (see Zey, 1998), which are nominally equal to any other agent in the market (see Bratton, 1989). Therefore, the concept of the 'person' becomes more or less equal to corporations in terms of their legal representation.

⁹ See <https://www.unglobalcompact.org/>

¹⁰ See <http://www.unpri.org/>

¹¹ See <https://www.globalreporting.org/Pages/default.aspx>

This, in turn, feeds back into that classical discussion of what a person, what a subject, what a citizen is, this time posed with respect to the corporation (see Naffine, 2003). We do not know what that construct is, where it comes from, or how it's constituted because all these legal theories work in all three ways at the same time, even though they are mutually exclusive. So what I'm saying, in terms of an ontological perspective on the corporation, is that there are multiple ontological positions in play at the same time. You have the assumption that the corporation constitutes a reified agent in the political and legal domains, while at the same time you have an assumption that the corporation essentially is constituted as nothing more than a nexus of contracts, an aggregation of individuals. The two exclude each other and yet they are in play at one and the same time.

The question of what the corporate form *is* must be separated from the question of what it is *for*. If you're going to say that a company has to be run in the legal interests of its owners it's not at all clear what that corporation actually is. Nevertheless, from the 1970s onwards, we have the law and economics movement (Davis, 2009) which tells us that what we can assume from the economic perspective is that the corporation's interests are the interests of its shareholders, its primary constituency. From here we get the axiom that the purpose of the corporation is to maximise shareholder value and there is no longer an acknowledgment about who grants concession to the corporation and who can take it away. Therefore we have calls for different forms of monitoring. Economists in the 1950s wrote a lot about how, even though corporations are actually taking a large part of the economy, we must nevertheless assume perfect competition. In this perception, anti-trust regulation can be done away with and self-regulation becomes a viable option, because corporations are not qualitatively different from other types of business representation, like partnerships (see Ireland, 2002).

The norm has become that of maximising shareholder value and in this light the pursuit of tax avoidance, excessive executive remuneration, and market efficiency comes to gain moral – and legal - legitimacy. The shareholder wealth maximisation axiom has shaped all of our thinking about what a corporation's purpose should be (see Bratton, 1989; Ireland, 2005; 2009; 2010). Politically, this should lead us to the realisation that this quite simple legal construct violates the very precepts of a liberal framework. Not only do we have the interests of citizens marked off against the interests of the state – we also have corporations, with interests of their own, taking on the privileges previously experienced within feudal systems, on both a national and an international level (see Bowman, 1996).

SD: Thanks Jeroen. Martin, why don't you set your stall out, before you each start having a go at one another?

Martin Parker (henceforth MP): I asked to go last in this because I want us to talk about what we might do, rather than simply bleat. It seems to me there are plenty of people who are critical of corporations from a whole bunch of different places. Some of them are relatively anodyne: Business Ethics, CSR and, dare I say it, stakeholder theory too. Others are noisier: the Million Mask march, or Occupy, or Russell Brand¹². Indeed, it seems to me that criticism of corporations is very much embedded into popular culture itself (see Rhodes and Parker 2008). So the question for me is not so much whether there is a problem with corporations, because I think that's obvious and widely agreed. I think the issue is what we in Critical Management Studies (CMS) might do about it.

¹² See, for example, www.millionmaskmarch.com/, Chomsky 2012, Brand 2014.

Over the past 30 years or so in the UK, business schools have expanded hugely, filling in the gaps in state funding through the academic equivalent of flogging dodgy gear to whoever will buy it. They tend to teach that markets and corporations are the best way to solve problems and that whatever the problem might be, market discipline can solve it. Management is sold as the solution to every problem, including the problems caused by management. All of this is obvious but it bears repeating: it shapes what we, as business and management academics, might actually be capable of doing in terms of contesting corporate power. In that sense, it's important to be clear about what we are, where we are and what we can do. Most of the time people in the UK who articulate some version of being critical of management are employed by business schools to teach aspirant managers. The brutal reality for such people – well for me at least, and for most of you - is that my salary is paid by selling ideas about management to the children of the Chinese bourgeoisie. So it would be foolish for me to pretend I'm some kind of vanguard revolutionary, taking risks by shouting at those in power. I might do all sorts of other things in my non-work life, but that's not my concern here. The CPPE is hosted by a Business School, so let's take that as our most immediate context.

So what can we do? My proposal is that business schools should teach about organising, not just about management. The corporation, as a historically specific organizational form, shouldn't be allowed to stand in for the widespread and general activity of organising. This is an act of political metonymy, in which part of a thing becomes the whole of that thing, a restriction of imagination and understanding. 'Schools for Organising' (Parker 2008) would teach a much broader range of topics than business schools do at present. An example might be useful here. What would you think of a medical school that taught about heads and arms but didn't teach about legs and hearts? Or of a school of architecture that was only interested in teaching about office blocks and garages, ignoring hospitals and car parks? That's what the business school is doing at the moment: passing a part of its subject off as the whole. We need to ask what gets taught and we need to consider whose interests are being served in such an unjustifiably delimited pedagogy.

Organising. It's a word which points to a whole variety of different ways in which human beings and things can be arranged in order to do things. I've just finished co-editing a book which contains a series of chapters, some written by people in this very room, outlining different ideas of organisation (see Parker et al 2014). There aren't any chapters on corporations or management because more than enough ink has been wasted on them already. When people ask us whether there are alternatives to corporations we can say yes, there's lots of other stuff we can do, lots of other ways in which we can organise. So let's teach about co-operatives, community interest companies, worker self-management, localism, partnerships, complementary currencies, intentional communities and so on. That, it seems to me, is the best way in which we, as critical people located in business schools, can respond to the corporation. Teach about the alternatives. Unfortunately, the book costs £125 which is ridiculous. So if you want the pdf just email me, because otherwise another big corporation gets the profits!

SD: Thanks Martin. I'll remind the audience to hold onto their questions for now, allowing the panel members to interrogate one another. Who'd like to go first?

SM: I've got one for Jeroen to begin with. In your presentation you set out a number of different positions from which the concept of the corporation has been explained. You argued, if I understood correctly, that an explanation of the corporation as an entity that arises out of a network of contracts between private voluntary individuals, using all the assumptions of methodological individualism, is incompatible with the notion of the corporation as a singular legal entity. Why are those two explanations opposed to one another? Does it contradict methodological individualism to

say a group of individuals can get together and agree to let the outcome of a decision making procedure stand for their collective interests on matters pertaining to the corporate form?

JV: I do not think that the legal entity arises out of a common volition, I don't think that it actually represents a common volition (see Freund, 1897). I think it only represents a legal representation (see Dewey, 1926). As such it clearly stands completely apart from the individuals within the aggregation. So if it is a thing in and of itself - a legal construct - it does not need to have any connections to anything in-between. In that sense it is some sort of entity "out there" which has been attributed with limited liability, agency and ownership rights. So what is that entity? What does it stand for? Why is it there? How did it develop? In whose interest is it working? If there is no direct connection to a common volition, obviously there will be all sorts of ideologies telling us how we can interpret some other sort of common volition.

SM: So you say that there's no direct connection between the corporate entity and the common volition, but it is still true that individuals can get together and form corporations, which is precisely what happens. So at what point does that separation occur between the entity of the corporation and any group who had a hand in setting everything up?

JV: Well, there are two different movements. One is a formal separation between ownership and control which takes place in the middle of 19th century. The second event is that the resulting separate legal entity becomes reified ever more and more, personified ever more and more. If you look at discussions at the end of the 19th century you will hear that the corporation is actually just a tool. That it's not something we can treat as a person. The recent US presidency candidate Mitt Romney, on the other hand, said "of course they are persons"¹³. That has become such a common mind-set, both within political discourse and legal scholarship (see Mayer, 1989; Naffine, 2003), but it has taken more than 100 years for that split to become discursively naturalised (see Bowman, 1996).

I have a pretty simple question for Martin that follows from what I've just said. About 90% of all private enterprises adopt the corporate form whereas in the past the partnership form used to dominate. So why are you going on about management instead of looking at the growing dominance of the corporate form itself? Why, in other words, are you hedging your bets on a quickly disappearing outside?

MP: This is a question about the politics of the possible. Your ground clearing work is really helpful because it shows us how contingent the idea of the corporation is. If the state can give corporate licences they can also take them away. This does suggest that state regulation is going to be useful because it might prevent corporations from doing dreadful things. My sense, nevertheless, is that regulation isn't going to be enough. What I think is required is a much greater level of organisational audacity and imagination. We need to be thinking, writing and teaching about other organisational forms, forms which instantiate a different sort of relationship between the state, the organisation and the economy. I like your analysis but my worry is that it ends up becoming a repeated call for regulation by the state, something which, historically speaking, corporations have been extraordinarily good at side-stepping. So, rather than asking the Big Other to do our work for us, let's look for the alternatives, teach about those, and help to produce a new future.

¹³ <https://www.youtube.com/watch?v=E2h8ujX6T0A>

Sam, I might well be wrong here but I think you believe that the corporate form is in some sense inevitable because it is underpinned by a collective will of some description. Yet you also think that it could be ameliorated, that non-members can make it serve a more general good. Is that a fair characterisation?

SM: A lot of the work that Jeroen has done (e.g. Veldman 2011) has shown there are many different forms in which the corporation has appeared through time: one form of the corporation is not necessarily best suited to all times or places. As to whether incorporation is inevitable, there are examples of people organising themselves around a common legal purpose dating back to Roman law, possibly even to the Ancient Greeks. Corporations can serve all manner of ends, for good or evil, it's an ongoing debate, as with any other dominant form of practice or organising, around what ends are being served, whose rights are being upheld and whose rights are being violated. Incorporations of some form or other, not necessarily just business corporations but also not for profit corporations, charities and NGOs, are pretty much inevitable. Beliefs people hold about the ethics of exchange, profit and management feed into the regulations that are implemented and upon the sort of pressure shareholders will exert upon directors.

MP: So you think that state regulation responds to some kind of expression of popular will? That the state represents the population?

SM: The nature of state regulation is an inevitable consideration for anybody not committed to an anarchist political philosophy. Take the scandals I opened with: in all these cases regulations were already in place. Discussing how the activities of organisations can be governed better within the law is just as important as asking which statutes are already in place. It isn't my position that state regulation solves all these problems, only that it always plays an important role within them. In the case of shareholder activism, for example, if one group is going to have a role to play in controlling directors, they need to have particular standards and expectations in mind. Jeroen might well doubt the value of focusing on such issues and I have the sense that we've distinguished ourselves from one another well enough to open up for audience questions.

Audience Q: Martin, I like your idea of schools for organising but there's a real danger there. Organisation doesn't cover political goods. An example I have in mind is where the Israeli defence force read some quite anarchistic philosophy – Deleuze in particular – then sent its commanders off into Palestinian territory for the purpose of practicing an anarchist war (see Weizman, 2006). There's a clear example of a good form of organisation which is put towards questionable ends. The danger of focusing on practices of organising, I suggest, might be to look away from the purpose of particular organisations.

MP: Much of my project is shaped by my being situated within a business school. Following and twisting Latour (1991), I understand organising as politics made durable. We need to start by understanding that there are lots of ways of organising and lots of ways of doing politics. In the context of the business school, how we organize ourselves needs to become a political question, rather than a matter which can be solved by recourse to ideas about 'efficiency', or 'shareholder value', or whatever. Much of the logic of the Business School adds up to the idea that there is no alternative. A School for Organising would open up the possibility of enquiring about lots of different organisational forms and lots of different political implications of those arrangements. In terms of a means and ends thing, yes of course. There is no one 'good' or 'bad' organization form, because we must always be discussing ends as well as means. They should never be separated, as if we can have good organizations doing bad things, or bad organizations doing good things. That would be lesson one of the 'Organizing 101' module at my new School.

Audience Q: Sam, can you go a little bit more into detail concerning the corporate social contract? In state building the social contract is always premised on the existence of an Other. For Hobbes, for example, this other is the state of nature, the fear of the state of nature. What is the kind of social contract applied to the corporation buffered against?

SM: That hasn't been adequately theorised. How the argument tends to work is through a reading of John Rawls (1999). Just as Rawls established an argument for the social contract in society as a whole, we can imagine the stakeholders of the corporation in much the same way (see Freeman, 1994 & Sacconi, 2006). So let's imagine you're a stakeholder of a company but you don't know whether you're an employee, a supplier, a customer, a shareholder, a lender, a member of the local community, etc. You don't know what stake you're going to have so what rules would you agree on with respect to the just distribution of corporate wealth? One of the main problems with this juxtaposition is precisely what you've put your finger on: there isn't really a state of nature outside a single organisation within which all stakeholders might be considered formally equal. In social contract theory, citizens have a formally equal status which usually compels them to unite in the form of a state. I don't think such an original equality can be theorised with respect to corporate stakeholders.

Audience Q: Martin, I don't think your account is representative of what you claim to be talking about. It is talk of entrepreneurship, not organisation, which predominates within contemporary business schools. Alternative forms of organising are a part of that discussion but this outsider discipline that your book is introducing to the business school is basically naïve. So what is the value of these alternatives, other than their being alternative? So what if alternatives exist? We have the top 40 charts but there's lots of alternative music. Most of it is shit though! I've also not heard from anybody on this panel an honest account of what corporations actually enable.

MP: Entrepreneurship celebrates an edgy figure who takes on the establishment. But what does this image produce? Virgin, Apple and a whole bunch of other tax avoiding multinational corporations. Most entrepreneurship is far from oppositional, despite what its supposedly piratical advocates say. To my mind, it's naïve to think otherwise! So yes, I do think alternatives to the corporation are worth thinking about. There are plenty of reasons why we should be suspicious of them too of course because such suspicion is the ground in which the seeds of alternative utopias can take root, germinate and perhaps even blossom. We need to imagine modes of organisation which are less damaging to ourselves and the world and, as far as I'm concerned, corporations are not such modes. Alternatives are predicated on radically different assumptions about what a lovelier world might entail, in terms of their scale, their means, and their ends.

JV: Corporations enable people to do lots of things: to avoid paying tax, to avoid taking personal responsibility for actions undertaken in the name of work, to redistribute wealth from the many to the few, etc. They are the main reference point for contemporary capitalism and the main agent underpinning international wealth's radically unequal distribution (see Ireland, 2005, 2010; Lazonick and O'Sullivan, 2000).

SM: I think limiting the liabilities of a corporation's members is a good thing: it allows the corporate person to trade on its own account, separating its rights from those of individuals. It also makes the pooling of resources from individuals with a common endeavour possible. Hegel (1820/1996) advocated corporations because they encouraged individuals to engage in common, public life. This helped foster a notion of the common good and so with it the recognition of the ethical status of other individuals, beyond the individual and family sphere. The corporation, in

turn, was an intermediate between the state and the household. Interesting how today the corporation is regularly understood to be in tension with the state.

Audience Q: Another question for Martin. What is the relation between your school of organising and organisations that are not necessarily directly within the sphere of economics yet pursue different notions of value: the value of social justice, for example?

MP: Insofar as this is a polemic for a different educational institution, for a different curriculum, it's aimed at exposing the narrowness of what the business school currently teaches. The deal is that you have to talk about the politics of organising and recognise that organising is multiple and varies in all sorts of ways. I don't think profit is necessarily a bad motive for people to get together, but it doesn't somehow trump social justice. It depends on what you're doing. As I suggested before, the point of this is to insist that all organizing is politics made durable, so let's look to the politics and not hide it behind some sort of assumption that things just have to be like this.

Audience Q: My background isn't in the business school but in politics so apologies if this sounds naïve. How do you think the nature of a corporation overlaps with different ideas of ownership? From Sam and Jeroen I get the impression that you are starting from the perspective of today's corporations and looking backwards, thereby taking it as given that corporations now own things. But where does ownership come from?

JV: Ownership initially resided with the king or queen: it is from those in charge that the corporation was granted a public purpose (see Maitland, 2003). In the 19th century that very idea of ownership started to shift...

Audience Q: That assumes land and property can be owned. The very idea that a human being can own land, rather than land being understood as a common resource, itself has a history.

JV: That may well be. From the perspective of my work all I can answer is that historically, the legal debate about what the corporation could be, long before the 19th century, was always rooted in concepts of ownership. Who actually owns it? Can the right to ownership be overruled by the sovereign? Is the entity distinct from the persons? Can ownership rights be transferred and if so on what conditions? All of these questions presuppose the existence of ownership, in one way or another (see Maitland, 2003).

SM: Friedman's (1970) infamous *New York Times* article equates the shareholders with owners in a way which conveniently side-steps your difficult question. But what does corporate ownership really mean? What does it mean for the corporation to own itself? I'm quite attracted to Immanuel Kant's theory of property (1797/1996), in which a property right is a right to exclude others from the use of particular objects. Individuals in a state of nature have a right to just about anything. When you enter a state, the right to exclude others needs to be a matter of common agreement. If a corporation is the collective representation of a series of individual wills, that single will excludes all others, including those of individual shareholders.

Audience Q: Since the 2007-8 crisis a lot of management scholars have been re-educating themselves in finance theory. Have you any thoughts on the nature and the purpose of the corporation in light of, for example, opportunistic shareholders, private equity firms, complex financial instruments and high frequency trading?

SM: There is a risk in over simplifying a highly complicated chain of events but I think the financial crisis very clearly illustrates the problem of who, ultimately, should have been taking responsibility. Many blame short-term profiteering, rightly, in my view. As individuals we do tend to look at the long term consequences of our behaviour on the wellbeing of others so why can't something similar happen when it comes to investment? A socially responsible idea of investment would take its bearings from the longer term perspective: I'd be reluctant to say anything more than that, off the cuff.

JV: Sam, your approach seems to assume that shareholders are a sort of collective which comes to a shared decision concerning the direction of the company. I don't think that is how it works in practice. Ownership in corporations generally tends to become functional once it reaches, say, 10 or 20 percent (see Zeitlin, 1989). That means you have to have an enormous amount of capital before you can have any real say in the corporation's affairs. The people who are actually involved in corporate decision making tend also to be involved in hedge funds: a very small minority. This is worth thinking about.

Audience Q: I don't believe that corporations are as important as you have been telling us. People don't live in corporations. They have to deal with them, of course, but most of the time they're devising ways of keeping them at bay. The alternatives Martin is looking for are in front of our nose every day. Daily life isn't a matter of being a shareholder in a corporation. By being fascinated by corporations you are fascinated only by their power, which isn't that significant.

MP: I agree very much. That's precisely why Gibson-Graham's (1996, 2006, 2013) work has been so important to me, because it puts capitalism in its place. When we look at what people actually do in their everyday lives, they argue, we find that the concepts of commodification make very little sense, and that corporations are not as dominant as some seem to imagine. They use the metaphor of an iceberg, and suggest that we mostly just look at the tip, and ignore all the mutualism and co-operation that takes place beneath the water. Colin Williams (2005) has made very similar arguments. Sometimes it might be enough to draw attention to what is already going on rather than looking for yet to be thought of, let alone practiced, alternatives. If we only look for corporate power, that's all we will see.

SM: For as long as we have corporations I think *not* talking about their purpose or nature might mean to let them off the hook. Alternatives are always worthy of discussion but we should also surely engage with what we have in front of us.

JV: Corporations protect specific interests. If we do not ask who, and how, we are effectively ignoring a crucial component of how our world is constructed. We also need to question corporations so that we might better understand other forms of organisation.

Audience Q: But the vast majority of people in this world still have nothing to do with management. Business schools tend to forget that. Most people just work for themselves and try to make ends meet: you don't need management and strategy and all the rest of that nonsense to live your life. Nobody cares about managers, except in business schools. Like Martin, these institutions pay my salary but beyond that they're not that important. There is an ideology of management, distinct from the reality of management, and discussions like this end up making it seem much more important than it actually is.

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