2 *Megacorporations*

This chapter details the megacorporate concept. It begins by noting that, whilst references to the idea of a megacorporation can be found in contemporary works of fiction, these references tend to be vague. The chapter's following section thus turns to the task of differentiating the idea of a megacorporation from three other corporate types: i.e. normal corporations, multinational corporations (MNCs) and total corporations. After this, it is proposed that, in addition to being generally characterized by their global scale of activities and broad scope of influence, megacorporations are more specifically characterized by their monopolistic activities, their social responsibility concerns, their political-economic hybridity and by their existential impact on our lives. Given these criteria, the chapter's penultimate section proposes that the English East India Company provides a clear historical example of a megacorporation. A brief summary brings the chapter to its conclusion.

From Fiction to Fact

Like the people they can be metaphorically conceived in terms of (Moon, Crane & Matten, 2005), and like the states that have often given legal force to such metaphors (Barkan, 2013), corporations can develop different capacities, and can live for variable periods of time. As a result, some corporations die soon after they are born, and never manage to exert any real influence. Other corporations, by way of contrast, can quickly come to possess capacities that outweigh those of most other organizations combined. Therefore, and just as with extraordinary or particularly charismatic individuals (Weber, 1978: 241–245), and just as with particularly prominent or hegemonic states (Mearsheimer, 2001), some corporations will always be of more consequence than others.

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This idea, that specific corporations can grow to become immensely powerful actors, is one that is often found within the science-fiction genre. Most famously, William Gibson's 1984 work *Neuromancer* is filled with cities comprised of corporate arcologies and dominated by corporate giants such as Mitsubishi–Genentech, or what is presumably a merger of the Mitsubishi group – a sprawling Japanese conglomerate that has now existed for close to 150 years – and Genentech – a gen (etic) en(gineering) and tech(nology) company that was founded in 1976, and that is currently a fully owned subsidiary of Roche.

Given such illustrations, the organizations that play a central role in Gibson's work have been referred to as megacorporations (Leaver, 2003: 128; Nixon, 1992: 223). Although he does not appear to use the megacorporation label himself, Gibson – who has been referred to as a 'sociologist of the near future', and as 'probably the most important novelist' of the late-twentieth century (Poole, 1999) – has suggested the need for such a term. Hence, Gibson (2011) has stated that whereas the text in *Neuromancer* never makes the explicit suggestion that 'the United States exists as a political entity', it does point towards a 'sort of federation of city-states connected to a military-industrial complex that may not have any government controlling it'. In their turn, these city states and military-industrial complexes can be related to the 'Bigger, Globally Corporate Things' that Gibson (2012: 181) has also noted he made a 'sketchy description' of in *Neuromancer*. Moreover, and in countering the belief that his megacorporate writings are dystopian, Gibson has suggested that *Neuromancer* – which was written towards the end of the Cold War – should be conceived as an 'act of imaginative optimism… I didn't want to write one of those science-fiction novels where the United States and the Soviet Union nuke themselves to death. I wanted to write a novel where multinational capital took over, straightened that shit out, but the world was still problematic' (Gibson, 2011).

As these remarks indicate, the idea of a megacorporation can be found throughout much of Gibson's work. Gibson, however, is far from alone in having pointed in this direction. Indeed, the vague idea of a megacorporation has by now attained trope-like status and can be seen to inform not just the literary field (e.g. David Egger's *The Circle*, Jarett Kobek's *I Hate the Internet*) but the domain of popular culture more generally (e.g. comics, television shows, films, computer games).

Given their fictional status, it is understandable that such works do little more than allude to the megacorporate idea. On the rare occasion that an attempt at conceptual clarification is made, what tends to be suggested is that the distinguishing feature of megacorporations is that they are on the verge of replacing, or have already replaced, various policing and legal functions that we currently associate with states (Gibson, 2011). Whilst it is not wrong to conceive of megacorporations in what amounts to a hyper- or post-neoliberal fashion (Barkan, 2013; Foucault, 2008), one risk of doing so is that it results in considerations that are already well understood being revisited once again. More problematically, such conceptions tend to result in the rise of megacorporate power being made dependent on a corresponding decrease in state power, and in megacorporations being portrayed as little more than a poor relation to, or imitation of, states (see also, Atal, 2018).

It is in an effort to conceive of megacorporations on their own terms, then, that I now provide a more general discussion of the corporate form. In doing so, I begin with a brief summary of the corporation's historical emergence, and then distinguish between normal corporations, MNCs and total corporations on the basis of their scale (local or global) and scope (narrow of broad). After this, I turn to megacorporations in particular, and propose that they are marked by four characteristics.

Three Types of Corporation

The idea of a corporation as a 'legal personality separate from individual human beings ... originated in Roman law in its classical period (the first two centuries AD), was further developed in the Middle Ages in both canon (Church) and civil law, and was adopted from civil law by the Anglo-American common law tradition' (Avi-Yonah, 2005: 772). As Roman jurists apparently had an 'intense hostility to definitions and theories' (Berman, 1985: 216), the extent to which 'classical Roman Law had ... a concept of the corporation as a legal person with legal attributes (owning property, the capacity to sue and be sued)' has long been debated (Avi-Yonah, 2005: 773). Nevertheless, and along with the more general idea of legal personality, Avi-Yonah (2005: 773, 771) posits that one can discern from within these writings 'three views

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of the corporation' that continue to influence thinking through to the present day:

> the aggregate theory, which views the corporation as an aggregate of its members or shareholders; the artificial entity theory, which views the corporation as a creature of the State; and the real entity theory, which views the corporation as neither the sum of its owners nor an extension of the state, but as a separate entity controlled by its managers.

Further to noting that it is the real entity theory that has arguably proven the most influential over this long time frame (Avi-Yonah, 2005: 812), it helps to recognize that the fortunes of these different theoretical perspectives have waxed and waned along with power dynamics more generally (Tierney, 1955: 97). By way of illustration, Avi-Yonah (2005: 780–782) posits that Bartolus of Sassoferato (1314–1357) leant towards the real entity view because – unlike the artificial and aggregate theories – it could help 'independent corporations in Italy such as the city state and the Italian universities' to maintain their independence despite the Holy Roman Empire's decline, and the possibility of their entire membership perishing.

As these preliminary remarks suggest, the need to conceive, and analytically distinguish between, different types of corporations, has long been a matter of considerable importance. In light of such, I emphasize that whilst the following discussions are concerned to conceive of the megacorporate construct, and to differentiate it from three other corporate forms, they do not pretend to bring the discussion of corporate types to a close.

Normal Corporations

Corporations are differentiated from other organizational structures, such as partnerships or sole proprietorships, on a number of grounds. In particular, corporations are marked out as a specific organizational form due to their being separate and distinct from their owners; their possession of limited liability; their transferable ownership and their continuous existence.

The benefits associated with such characteristics can prove considerable and will often justify the costs of forming a corporation. Limited liability, for example, results in a corporation's shareholders not being personally responsible for a corporation's debts, and acts as a

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significant spur to investment. Given these sorts of benefits, both for-profit and not-for-profit corporations exist in large numbers globally. Some even suggest that the business corporation, which rose to prominence in the eighteenth and nineteenth centuries (Avi-Yonah, 2005: 783–793), is the most important type of "organization in the world" (Micklethwait & Wooldridge 2003: 2–3).

As the other corporate types detailed below can also be associated with the preceding characteristics, note that for a corporation to be considered a normal corporation, it needs to remain local in scale, and narrow in its scope of impact. One example would be an incorporated construction business that builds standard homes in a given city, and that has little if any ongoing relations with the occupants thereof. Other examples would be an incorporated charity that helps feed the homeless in a given town; an incorporated non-profit that helps to start-up local businesses in a given province or state; or an incorporated retail co-operative that sells outdoor lifestyle products to members within a local, politically unified, domain.

Multinational Corporations

Unlike normal corporations, the biggest of which remain contained within one country, the existence and operations of MNCs extend across national borders. Put more technically, MNCs emerge when a parent corporation from one country makes a foreign direct investment in a child corporation from another. For a parent corporation's investment to qualify as a foreign direct investment, and not just as a portfolio investment, it has to purchase in the range of 10–25 percent of the child corporation's stock so as to ensure that it is the most powerful owner (Jensen, 2006: 22). Although ownership is important, what is more important is for a parent to control the activities of its children. Accordingly, MNCs are commonly thought to also include entities in which it is contractual relations, rather than equity holdings, that enable a parent corporation to exert significant levels of control over its children (Zerk, 2006: 53).

When people think of corporations today, it is often MNCs to which their minds turn. A main reason why is that many of the branded goods that people buy are produced by them. Nike, for instance, produces finished goods in 542 factories populated by more than 1,000,000 workers in 42 countries (Nike, Website A). It also owns or

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controls more than 1,000 retail stores worldwide (Nike, Website B). As this indicates, MNCs can be of significant scale. Nevertheless, and as illustrated by Nike having limited impact beyond the worlds of sport and fashion, the scope of influence of even the most well-known and powerful of MNCs remains limited.

Total Corporations

The idea of a total corporation is a play on Goffman's (2007) notion of the total institution. As well as asylums, orphanages and homes for the elderly, Goffman identified prisons, prisoner-of-war camps, army barracks and monasteries, as key illustrations of the phenomena he had in mind. Such institutions are notable due to their resulting in people living what amounts to all of their lives – i.e. sleeping, playing, working – within the same organizational confines. 'The key fact of total institutions', then, is that the same bureaucratic organization is responsible for handling the 'many human needs . . . of whole blocks of people' (Goffman, 2007: 6).

As with total institutions, the defining feature of total corporations is their capacity to shape a broad scope of considerations of fundamental importance to daily life at a local scale. Whilst Goffman (Ibid.) indicated that industrial enterprises would only embody some of the less 'totalizing' aspects of total institutions, historical developments suggest that this qualification was too cautious. George Pullman – who became rich through the Pullman Palace Car Company's building of railway sleeping car carriages, and who 'decided to build a model factory town fourteen miles' out of Chicago in 1880 (Green, 2010: 29) – provides a case in point.

The construction of the Pullman neighbourhood was informed by Pullman's belief that, just as the beauty of 'his luxurious vehicles would have a civilizing influence upon even the roughest of customers', so too would 'civilized surroundings . . . have an "ennobling and refining" effect on his workers' (Ibid.). The town's construction began with Pullman spending four years 'secretly buying up 4,000 acres along Lake Calumet's west bank', and with his then transforming what was initially a swampland area 'into the site of a giant production works with a population of 8,000, about half of them [Pullman] employees' (Green, 2010: 30). Working with architect Solon Spencer Beman and landscape designer Nathan F. Barrett, Pullman designed an '"all-brick city" that would become a showpiece for the company' (Ibid.). Along with the company's office and production facilities, the company town included a large residential area, a large market complex, a bank, a Moorish-style theatre capable of seating a thousand punters and a 'library with 6,000 volumes donated by Pullman himself. Completing the picture were a handsome hotel – which contained the otherwise-dry town's only bar – a school, parks, and playing fields. Altogether, there were more than 1,500 buildings in Pullman, all owned by the company' (Ibid.).

Parts of the neighborhood Pullman created can still be found in South Chicago. But as an example of a total corporation, it did not even make it to the twentieth century. The reason being that, in 1898 – a year after Pullman himself had died, and following a great strike of 50,000 men enraged by the Pullman Company's refusal to help alleviate the concerns of those suffering the consequences of an economic depression – the 'Illinois Supreme Court ruled that the Pullman Co. charter did not permit the holdings of real estate beyond what was required for its manufacturing businesses. The … city of Chicago [subsequently assumed] municipal functions in 1899 and the company gradually … [sold off] its town properties beginning in 1904' (Green, 2010: 31–33).

Many other company towns were also created in the United States (Green, 2010) and elsewhere following the Industrial Revolution. In England in 1879, Richard and George Cadbury decided to relocate their growing business, Cadbury Chocolates, 'from Birmingham's City Centre into the countryside four and a half miles away … Situated in an area known as Bournbrook and located close to a railway and canal, the Cadbury brothers not only built a brand new factory but improved the lives of their workers by building sixteen houses. They named this new village Bournville and over time added additional homes, a school, and a hospital. By late 1900, the village had grown to 313 houses on 330 acres of land' (Cadbury World, 2016).

Chinese state-owned enterprises have been associated with such totalizing tendencies too. The Wuhan Iron and Steel Company – which is now part of Baowu Steel Group, the world's second-biggest steelmaker (Reuters, 2016) – was once responsible for a 'compound, termed "the plantation" … [that had] 2.4 million square metres of residential space, where all 13,000 employees and their families' resided, and that included such things as 'housing, child-care, schooling,

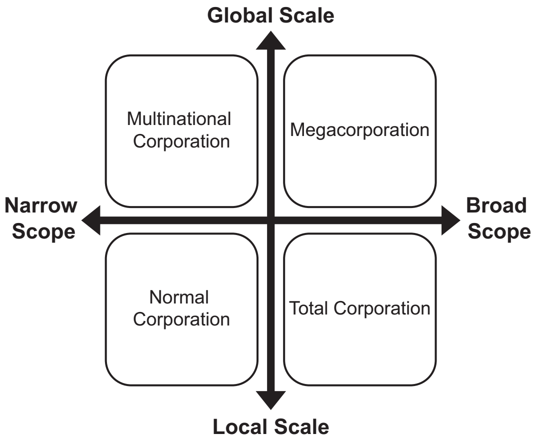

Figure 2.1 Four corporate types

health care and a variety of daily functions . . . on the same premises' (Shenker, 1996: 890). And more recent examples – such as Reliance Industries' 'Reliance Greens', a 700-acre residential estate adjoining two oil refineries in Gujarat, India's westernmost state; and Del Monte Kenya's 14,300 hectare 'compound' near Nairobi, which includes a canning plant, pineapple plantation and eight different villages– show that total corporations can still be found in various parts of the world today (Atal, 2018).

To summarize, it is due to their impact on all aspects of an employee's daily life – and even their afterlife if one is to believe Merle Travis's father, whose concern that he could not afford to die because he owed his soul to the company store, was immortalized in the 1950s hit song 'Sixteen Tons' (TEF Enterprises, Website) – that total corporations have a much broader scope of influence than either normal corporations or MNCs.

The Characteristics of a Megacorporation

As illustrated by Figure 2.1, normal corporations, MNCs, total corporations and megacorporations, can be differentiated on the basis of their relative scale (local or global) and scope (narrow or broad). When viewed from this high level of abstraction, megacorporations are characterized by their overall immensity. It can also be seen that

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megacorporations can be understood as either a total corporation that has gone global, or as an MNC that has significantly increased its scope of influence.

This bird's-eye view of a megacorporation is very helpful when it comes to differentiating it from the other three types of corporation. Nevertheless, when one descends from this vantage point and views it in closer detail, the megacorporate form is seen to be comprised of more specific characteristics too. As is now outlined, four are particularly important.

Monopoly

A complete monopoly exists when one firm or organization controls a market; when it is the only producer of a given product or service. Such dominant positions can first arise, and subsequently persist, for various reasons (e.g. Hutchinson, 2016: 454–481). Legal monopolies are enabled and protected by states, and often defended in public good terms. Thus, in many countries around the world, the state will legally ensure that either itself, or some other anointed organization, is the only entity that is allowed to sell or provide a given product or service. In addition to monopolies on policing functions, state or legally enabled monopolies have often existed in the energy sector, in the provision of water, in public transport, and so on.

Monopolies can also emerge when a specific firm controls all of the supplies or productive resources that are required to provide a given product or service: e.g. oranges for orange juice, bauxite for aluminium, mines for diamonds, engineers for engineering services. As this sort of control may only be feasible with protection from the state, control monopolies will often be legal monopolies. Natural monopolies – which are associated with markets where initial fixed investment costs are high and where the marginal costs of adding additional customers following such initial investments tend towards zero – commonly take the form of legally protected monopolies as well. The justification of a legal monopoly on postal services, for example, has often been based on the belief that they are natural monopolies (Panzar, 1991).

Apart from those that are state-sanctioned, monopolies can emerge through market-led innovations and technological advances. If of sufficient size and quality, such advances can result in a significant improvement in the satisfaction of a given want or need. This, in its turn, can result in monopolizing firms enjoying well above average profits. Of course, such monopolistic power will often depend on a firm being able to protect its intellectual property rights, or on its being able to prevent, or buy out, potential competitors. Many leading tech companies, such as Apple and Microsoft, have historically been associated with these sorts of monopolies. Platform monopolies are yet another form of market domination. These emerge through network effects whereby users attract more users in a virtuous circle. Such effects are often posited as the reason that Big Tech (e.g. Amazon, Facebook) has come to attain the bigness it has (Srnicek, 2017).

As these remarks indicate, many monopolies are best conceived as a sort of hybrid (e.g. platform-technology-natural). The more specific point to make, however, is that if an organization is to be considered a megacorporation, then it will need to be identified with something like monopoly power in one or more of its domains of interest.

Corporate Social Responsibility Concerns

Having been around in something like its current form for more than one hundred years (e.g. Clark, 1916), the idea of corporate social responsibility (CSR) appears here to stay. Whilst the utility of the term is yet to be universally acknowledged, and whilst its exact meaning continues to be the subject of debate, it is widely accepted that, as a general idea, if not always as an actuality, CSR possesses considerable influence. The following three points – all of which relate back to the proliferation of MNCs in the Post–World War II era (Ruggie, 2003) – help explain why.

First, as more and more people have become aware of the ways in which the policies and practices of MNCs in one part of the world may not be of the same standard as those in another, people have increasingly come to ask that MNCs 'lift their game' wherever they are perceived as lacking. As a result, MNCs that profit from sweatshops, or that profit from the incomplete protection of human rights, are often asked to ameliorate such concerns (Whelan, Moon & Orlitzky, 2009). Second, as activists have recognized that, by targeting MNCs at the top, they can potentially influence a significant number of activities and organizations below (e.g. through supply chains), CSR has come to be used as a lever to promote 'best practice': particularly when the changes sought would prove next to impossible through state or international organizations (see also, Keck & Sikkink, 1998).

Third, the emergence of new, complex and truly global concerns, such as sustainable development, are providing a major spur to current CSR practices and our understandings thereof. Whereas people have historically tended to treat social, economic and environmental concerns, as separate categories, there are clear trends towards their interrelation (Montiel, 2008: 260). Consequently, it has become easier to argue that MNCs have responsibilities with regard to issues that they may have once appeared indirectly related to at best. Links between climate change, the livestock industry, and hamburgers (e.g. McDonalds') – which previously tended to slip under the broader public's radar – provide a case in point.

As megacorporations can be roughly conceived as MNCs with a very broad scope of influence, a given megacorporation will be embroiled, more or less continuously, in CSR concerns. Similarly, the fact that many MNCs are already conceived as political-economic hybrids, suggests that any megacorporation worthy of the name will need to be widely recognized as such too.

Political-Economic Hybrid

In a sense, any corporation that focuses on the provision of goods and services, and that is somehow enabled by political structures, is a political-economic hybrid. The logic being that, if sufficient discontent were to arise amongst the masses, then the corporate form itself could be rendered dysfunctional. Likewise, and somewhat more realistically as of the time of writing, it is possible that protectionist–populist rhetoric amongst political leaders (Dutt & Mitra, 2018) could boil over, and result in significant changes needing to be made to the border criss-crossing structures that make MNCs feasible.

On top of these considerations – which relate to the simple existence of corporate forms – considerations that relate to specific products and markets can also result in corporations seeking political influence. Whatever the specific motivation, such influence can take the form of (legal) lobbying on the one hand; or of (illegal) bribes or gift-giving on the other (Lawton, McGuire & Rajwani, 2012). Whilst this second type of political influence can be found everywhere, it is often

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'perceived' (Transparency International, 2018) as being most prevalent in non-Western countries (Lawton et al., 2012: 92).

Different types of corporations can also be conceived as political-economic hybrids due to their taking on responsibilities that people currently associate with states. Thus, the discharging of a whole host of 'nice' political responsibilities – such as the provision of education, health care, shelter and so on – is now commonly associated not just with state or civil society actors but also with profit-focused corporations (Matten & Crane, 2005). And like centuries of mercenaries before them, private security and military corporations are currently involved in the much 'nastier' side of politics too (Elms & Phillips, 2009).

As it has become commonplace to focus on the US government's use of private military corporations (US Department of Defense, 2018), it is important to note that other governments also make use of such services. The Russian government, for instance, has made significant use of private military companies as part of ongoing concerns in Syria. As private military companies are illegal in Russia, the companies employed by the Russian state (e.g. the Wagener Group) are formally situated or registered elsewhere (e.g. Argentina). Whilst this might seem a cumbersome way of fighting a war, it has the benefit of enabling the Russian government to 'maintain plausible deniability' of direct involvement in the Syrian conflict (Ayres, 2018).

Further to exerting influence over state structures and political elites, and further to their being directly involved in both the nice and nasty side of politics, megacorporations can be considered political-economic hybrids due to their capacity to disrupt existing class structures and privileges throughout societies more generally. Whether it is through transforming the means of production and consumption, creating new concentrations of wealth (and poverty) or building new markets, megacorporations will tend to play a central role in the transformation of extant social relations and hierarchies (e.g. Marx & Engels, 1848).

Finally, corporations are also recognized as political-economic actors due to the roles they can play in non-state (Bernstein & Cashore, 2007) and multi-actor (Moon, 2014: 87–100) governance processes. Even more directly, corporations can often be conceived as political-economic actors as a result of what they produce: e.g. arms manufacturers transform coercive capacities; social media companies our capacities for free speech (Whelan, 2017). As well as influencing state actors, and their taking on state-like functions, then, megacorporations will need to be engaged in productive activities that are readily identified as being of political-economic importance if they are to deserve their mega status.

Existential Impacts

Alongside their global scale and broad scope, their possession of monopolistic power, their links to CSR concerns and their political-economic hybridity, megacorporations are characterized by their existential impacts. Simply put, existential impacts refer to developments that alter the constraints that shape how people live their lives and experience the world. As detailed below, these constraints can manifest in conceptual and concrete form.

The conceptual aspect of existential constraints relates to our never experiencing the world independent of frames of reference. The recognition of such constraints traces back at least as far as Kant's distinction between phenomena (what we experience) and noumena (things in themselves) (e.g. Foucault, 1970: 242–244), and has subsequently taken a variety of forms. Suffice it to note that it is currently commonplace to suggest that individuals make use of institutionalized cognitive frameworks – that are temporally and/or spatially limited to varying degrees; and that have not been deliberately designed or constructed by any one person – to construct phenomena and organize their activities (e.g. Descola, 2013).

Although rarely discussed, the idea that specific corporations can impact upon conceptual constraints is not without precedent. The 'McDonaldization Thesis' – which posits that, in embodying the rationalization principles that Weber (1978) associated with modern bureaucracies, the American fast-food retailer McDonald's became an 'alluring model' that 'virtually every . . . sector of society' felt it should replicate – provides one illustration (Ritzer, 1996: 292).

Whereas conceptual existential constraints exist 'inside' our heads, concrete existential constraints (are presumed to) exist on the 'outside'. The importance of such constraints, which are 'independent of our own volition' (Berger & Luckman, 1966: 13) and cannot be wished away, are impossible to overstate. When put in positive terms – as Kant (1998) did in writing of the dove that flies because, and not in spite, of the air that resists it – such constraints are identified as that which make any progress possible. And when put in negative terms, as per Schopenhauer (1969), what one might say is that, in the absence of the concrete constraints that forever frustrate, a given individual, or their will, would cease to exist.

Additional to other considerations, the recognition of concrete existential constraints results in other people appearing 'as a kind of thick natural phenomenon' (Foucault, 2007: 71) that needs accounting for in daily life. Whilst such concrete constraints cannot simply 'be changed by decree' (Ibid.), they can be altered. Amphetamines like Adderall and Ritalin, which are made by Shire and Novartis respectively, can transform the learning capacities of those with attention deficit disorders. Likewise, the Cochlear implant, an electronic medical device which replaces the function of the inner ear, can enable those who are hearing impaired.

As this suggests, corporations of different shapes and sizes have long made significant profits through changing the concrete existential limits that different groups of people face. In light of such, it is here proposed that if a corporation is to be conceived as a megacorporation, then it will, alongside the other characteristics already outlined, need to impact on existential constraints for large numbers of people worldwide.

The English East India Company

Under its original guise of 'The Company of Merchants of London trading into the East Indies', what came to be known as the English East India Company received its initial royal charter on 31 December 1600 (Keay, 1991: 9). With the help of various governance changes made throughout its life, the Company remained independent until 1859, when the British government nationalized it (Stern, 2011: 209) following a 'popular revolt' sparked by the 'mutiny of disconnected sepoy regiments: i.e. Indian soldiers in the service of the East India Company' (Erll, 2009: 109). According to Dalrymple (2019: 293), the Company's response to this rebellion – which involved the 'hanging and murdering' of 'many tens of thousands of suspected rebels in the bazaar towns that lined the Ganges' – was 'probably the bloodiest episode in the entire history of British colonialism'.

As this horrific epitaph indicates, the Company proved to be more powerful than similar organizations that it originally competed with: e.g. the Dutch East India Company (Verenigde Oostindische Compagnie) that was founded in 1602 (Robins, 2012: 13). On first impressions, then, the English East India Company (the Company) was, as Dalrymple (2015, 2019) has vaguely suggested, a megacorporation. As the following discussions show that the Company was also characterized by its monopoly power, corporate social responsibility concerns, political-economic hybridity and its existential impacts, it is proposed that these first impressions are correct.

Monopoly

In the original grant of 1600, Elizabeth I provided the Company with a guaranteed monopoly of Eastern trade for a period of fifteen years. In light of 'encouraging developments', Elizabeth's successor and the first king of Great Britain, James I, used a new charter in 1609 to make the Company's monopoly indefinite and more capacious (Keay, 1991: 39). Whilst such privilege was constantly threatened and challenged, the Company managed to enjoy a number of very important monopolies in the triangular trade between Britain, China and India over the centuries.

First, the Company monopolized trade between India and England. As certain English manufactures (e.g. woolens) struggled to find any sort of significant market in India (and subsequently in China), the purchasing and import of Indian products was, for considerable periods of time – and much to the annoyance of the day's mercantilists (Khan, 1923: 52–53, 169–70) – almost entirely financed by the export of gold and silver (Chaudhuri, 1968; Chung, 1973).

Second, the Company came to monopolize all opium production in India in the second half of the eighteenth century under the leadership of Indian Governor General Lord Warren Hastings (Keay, 1991: 431). This monopoly was to prove particularly important: for it was through the selling of opium in China that the Company was able to use Indian produce, rather than bullion from England, to fund the Company's purchasing of Chinese tea (Chung, 1973). It also proved to be of significant geopolitical importance, as it helped initiate China's century of humiliation.

Third, the Company monopolized the sale of Chinese tea in England. Fuelled by the 'Englishman's newly acquired thirst', tea had become, by 1770, 'the single most important item in the Company's portfolio and the value of the China trade had come to rival that of all its Indian settlements combined' (Keay, 1991: 349). So great was this thirst that, 'sales of tea, which had averaged 6.8 billion pounds a year during the 1770s, soared to 19.7 million pounds a year during the 1790s' (Bowen, 1998: 534–535). Indeed, tea sales were still going strong fifty years later, when they once again doubled over a fifteen-year period prior to the Company losing its independence (Chung, 1973: 416). In many ways, the English obsession with tea, which continues through to the present day, is due to the Company.

Corporate Social Responsibility Concerns

One of the charges often levelled against the Company was that, whilst it benefitted from the monopoly it possessed, its home country did not. As Adam Smith (1999: 158) wrote:

> since the establishment of the English East India Company … the other inhabitants of England, over and above being excluded from the trade, must have paid in the price of the East India goods which they have consumed, not only for all the extraordinary profits which the company may have made upon those goods in consequence of their monopoly, but for all the extraordinary waste which the fraud and abuse, inseparable from the management of the affairs of so great a company, must necessarily have occasioned.

But what was even worse than all these 'bad effects … put together', according to Smith (1999: 145), was the example being set by the leaders and owners of such a monopoly: for he feared that as their preference for expensive luxury over sober virtue trickled down, the industry they led would become increasingly 'dissolute and disorderly'. This later set of fears, in their turn, were supplemented by the belief that the ostentatious and much satirized 'nabobs' (Bowen, 2006: 16) who had made their fortunes through the 'side trades' and many corruptions the Company enabled (Smith, 1999: 166), were 'infecting the domestic political system and threatening constitutional liberties' (Bowen, 1998: 542). According to Edmund Burke (1788: 17), the 'enormous wealth' that was pouring 'into this country from India

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through a thousand channels, publick and concealed', was responsible for no less than the undermining of the British Empire.

Despite their significance, the concerns the Company was giving rise to in England appeared small in comparison to those it was associated with in India. Smith (1999: 155) for one, proposed that whilst the 'discovery of America, and that of a passage to the East Indies by the Cape of Good Hope, are the two greatest and most important events recorded in the history of mankind', they had resulted in little joy for the natives themselves: 'for all the commercial benefits which can have resulted from those events have been sunk and lost in the dreadful misfortunes which they have occasioned'.

And according to Burke (1783: 124–125), the underlying problem was that

> [e]very rupee of profit made by an Englishman is lost forever to India ... [the Company] has erected no churches, no hospitals ... built no bridges, made no high roads, cut no navigations, dug out no reservoirs. Every other conqueror of every other description has left some monument, either of state or beneficence, behind him. Were we [i.e. the Company] to be driven out of India this day, nothing would remain, to tell that it had been possessed, during the inglorious period of our dominion, by any thing better than the ouran-outang or the tiger.

In contrast to such claims, the Company tended to tell a more positive story. To that end, and much like other organizations and departments that were responsible for England's colonial territories (Bowen, 2006: 153), the Company continuously professed 'its desire to protect the happiness and prosperity of the Indian population' (Bowen, 1998: 541). If one thinks such statements indicative of a proactive response to the recognition of real social problems, then they will paint the Company in a positive light. If, on the other hand, one perceives such proclamations as a reaction to critical concerns voiced by the likes of Burke and Smith, then the Company is more likely to be seen as having been engaged in nothing more than public relations spin.

Political-Economic Hybrid

A currently popular idea is that the adoption of explicit political responsibilities and structures can enable economic actors, and

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MNCs in particular, to (re)assert or (re)construct their legitimacy (e.g. Matten & Crane, 2005; Scherer & Palazzo, 2011). For the English East India Company, however – whose most prominent responsibility concerns emerged after it became 'a territorial power in South Asia in the mid-eighteenth century' (Stern, 2011: 3) – things seem to have worked the other way around.

In a series of events that read like a Boys' Own Adventure for budding colonialists – and in duly noting that it 'had already been a form of government -… in Asia for some time' (Ibid.) – the Company was transformed between 1750 and 1770 into a Company 'state' with clear sovereign powers (Bowen, 2006: 5–10). For a great many, this transformation was a cause for concern. In a letter written in 1759, no less than Robert Clive – who led the Company's conquest of Bengal in the Battle of Plassey a few years earlier – explicitly stated that the sovereignty of Bengal was 'too extensive for a mercantile company', and that the Company should 'concentrate on that for which it was constituted – "trading to the East Indies"' (Keay, 1991: 362–363). And from amongst the Company's external critics, one can once again find Smith (1999: 164) sniping that a company of merchants was seemingly 'incapable of considering themselves as sovereigns, even after they have become such. Trade, or buying in order to sell again, they still consider as their principal business, and by a strange absurdity regard the character of the sovereign as but an appendix to that of the merchant'.

Burke (1783: 164–166) was likewise concerned that, whilst the Company had proven very successful in collecting both political and economic responsibilities, it had failed to discharge either. He thought that one could find 'no trace of equitable government' in the Company's politics, and 'not one trace of commercial principle' in its 'mercantile dealing'. Moreover, Burke believed it was 'evident beyond doubt' that the Company's abuses of the 'poor', 'oppressed', 'natives of India', were 'regular, permanent and systematical'. In other words, Burke considered the Company to be 'absolutely incorrigible' (Ibid.).

Whether consciously or not, Company employees often distanced themselves from such damning sentiment, preferring to align themselves with 'modern assumptions … about the nation-state as the ultimate political and social community' (Stern, 2011: 8–9). Thus, at the House of Commons in 1767, the Company's secretary Robert

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James declared 'that "We don't want conquest and power; it is commercial interest only we look for"'; and 'during the late eighteenth century an enormous amount of visual art, and especially paintings of East Indiamen, continued to project a powerful and enduring image of the Company as a maritime trading organization' (Bowen, 2006: 8–9). Suffice it to note that, as the Company's army is reported to have grown from 18,000 in 1763 to 102,000 in 1796 (Schmidt, 1995: 61), such de-hybridizing claims and public representations were either misguided, or entirely disingenuous.

Existential Impacts

The Company had a set of complexly interrelated impacts on both concrete and conceptual existential constraints. In terms of the former, the Company was associated with two developments – (1) the coppering of the Company's 'Indiamen' hulls and (2) navigational advances enabled by the analysis of maritime information that was collected and stored at the East India House headquarters in London (Bowen, 2006: 155) – that shortened voyage times by as much as a third in the late eighteenth and early nineteenth centuries (Solar & Luchens, 2016).

Whilst significant in their own right, such impacts appear limited relative to the more conceptual impacts that the Company had as a result of its extensive record-keeping. As even critics like Burke (1788: 51–53) acknowledged, the Company's 'government of writing; a government of record', was so 'excellent' and 'admirably fitted for the government of a remote, large, disjointed empire … that human wisdom has never exceeded it'. This structure, Burke (1788: 53) went on, was underpinned by an express covenant that obliged the Company's servants:

> to keep a journal or diary of all their transactions, publick and private … [and] as a corrective upon that diary, to keep a letterbook, in which all their letters are to be regularly entered. And they are bound, by the same covenant, to produce all those books upon requisition … But, as the great corrective of all, they [i.e. the Company] have contrived, that every proceeding in publick council shall be written: no debates merely verbal. The arguments, first or last, are to be in writing, and recorded.

It is not for nothing, then, that the Company's men are said to 'have lived by the ledger and ruled with the quill' (Keay, 1991: 169); and that

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the resultant records – which comprise more than four hundred volumes for the years 1660–1760 alone (Chaudhuri, 1978: xv) – have been conceived as potentially inexhaustible (Keay, 1991: 169). As an 'empire of information' (Bowen, 2006: 152), the Company anticipated and perhaps 'indirectly contributed to the eventual creation of modern business corporations and the abstract concept of the "firm" as the main regulator through which the whole complex of economic production could take place' (Chaudhuri, 1978: 19). Moreover, in seeking 'better knowledge of the societies, cultures, and economies' that were brought under its control, and in being motivated 'by the firmly held belief that the possession of information represented the key to effective administration' (Bowen, 2006: 152), the Company has had a significant impact on how we make sense of, and compare, human societies.

Much of the Company's impact in this later regard originated in the latter half of the eighteenth century, when it began creating hubs of intellectual activity like the Asiatic Society of Bengal that was founded by William Jones in 1784, and that 'quickly became the most important learned society in the British colonies' (Drayton, 1988: 243). Prior to his leaving England for India in 1783, 'Jones was already a master of Arabic, Hebrew and Persian'. And, upon starting as a Company-appointed judge in Calcutta, he 'began the course of personal study that was to gather in, to rope off, to domesticate the Orient and thereby turn it into a provenance of European learning' (Said, 2003: 77–78).

To make sense of Jones' and the Company's role in the creation and diffusion of 'orientalism' – the idea that Westerners are, and that Arab–Orientals are not, 'rational, peaceful, liberal, logical, capable of holding real values, without natural suspicion' – Said (2003: 49, 78) has proposed that the law's significance must be recognized. Specifically, Said (2003: 78) has noted that prior to Jones' arrival in India, 'Warren Hastings had decided that Indians were to be ruled by their own laws'. Given that Sanskrit code of laws for practical use then only existed in Persian translation, and that 'no Englishman at the time knew Sanskrit well enough to consult the original texts', this was a considerable task (Ibid.). In playing a key role in it – and in being motivated to 'rule and to learn ... to compare Orient with Occident' – 'Jones acquired the effective knowledge of the Orient and of Orientals that was later to make him the undisputed founder . . . of Orientalism' (Ibid.).

The long-lasting impacts associated with Jones' and the Company's activities do not make for flattering reading. The Company's quest for knowledge of the non-Western world can be seen to have helped justify the British belief – which appears to have been particularly prevalent throughout the nineteenth century (in the work of Company employees James and John Stuart Mill for example) – that British imperial rule was necessary to advance civilizations perceived as less 'developed' (Dodson, 2007: 66–67; Said, 2003: 14). It also appears to have contributed to the internalization of orientalism's basic thesis amongst the Orient's population itself.

As Said (2003: 25) has lamented, the investment that he made in writing *Orientalism* derived from his

> awareness of being an "Oriental" as a child growing up in two British colonies. All of my education, in those colonies (Palestine and Egypt) and in the United States, has been Western, and yet that deep early awareness has persisted. In many ways my study of Orientalism has been an attempt to inventory the traces upon me, the Oriental subject, of the culture whose domination has been so powerful a factor in the life of all Orientals.

As such examples demonstrate, the East India Company has had a long-lasting, and often deeply problematic, existential impact on people around the world. As the Company was also characterized by its global scale and broad scope, its monopolistic power, its CSR concerns, and its political-economic hybridity, it constitutes a clear, historical example of a megacorporation.

Summary

This chapter has proposed that normal corporations, MNCs, total corporations and megacorporations, can be distinguished from one another on the grounds of their relative scale (local or global) and scope (narrow or broad). Additionally, this chapter has proposed that megacorporations – such as the English East India Company – are characterized by their tending towards monopolistic power in one or more of their domains; by their being consistently involved in a variety of corporate social responsibility concerns; by their simultaneously being of political and economic import; and by their having a fundamental impact on how people understand and live their lives. Given such demanding criteria, there can never be many, and may not be any, megacorporations, at a given point in time. Yet as Chapter 3 demonstrates, there is at least one megacorporation to have emerged in the twenty-first century: Alphabet.