

The Hidden Agenda of ‘Corporate Compliance’: Anglo-American Companies in the Imperial Order (1600-1950)

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‘Corporate compliance’ can be summarized as the process of injecting general social expectations into business rationality. Under the global commercial competition in the 17th century, the joint-stock corporation based on long-distance shipping became an important source of finance for Britain, and the claims from private traders of anti-monopoly and anti-corruption became two pillars of compliance principles in the imperial economic world. After the mid-18th century, the problems of local colonial rule gradually exposed the structural defects of early transnational corporations. The universal commercial principles and the theory of ‘trust’ of subjects began to become the justifications for the empire in parallel with geographical morality. The transportation revolution of the 19th century also led the transcontinental railroad corporations of the United States to bind up their interests with the sovereign. The regulatory demands in the Gilded Age gave rise to the modern corporate compliance mechanism. During the interwar period, the United States turned its colonial and interventionist approach to Latin America into a ‘Good Neighbor Policy,’ acting as an arbiter of disputes between its MNEs and foreign governments, which constitutes the inception of a new world corporate compliance system.