Corporations are such a fundamental part of not only the business world, but life in general today, that it is hard to imagine a time where they either did not exist, or were legally unfounded. But at one point they were a completely new concept that had to be established through years of complicated legislation and court cases. The critical years in which these took place occurred in two major locations, the United Kingdom and the United States of America, as these two nations were the leaders in defining what role corporations should
play in their society, while also being leaders in international trade. However, there were some crucial differences in the process of development each country went through that caused differences in the end results. While corporations are now international entities that deal with countries all over the world, they still have different laws and regulations based on their country of origin. To understand why this is so, and why it matters, it is important to look at how they were treated by the general public, shareholders, and government of their country of origin. The different ways in which the countries of America and the United Kingdom have treated and developed the rights of corporations, created a significant difference between how corporations function and the rights that they hold, and an even bigger difference in how the public of each country views them, with Great Britain viewing them as a public good, and America seeing them as private companies.

It is first important to pinpoint when and how the issue of corporations was first addressed, and then how these bodies eventually came to have rights comparable to people, and much more power. The British first established the idea of a modern corporation with chartered companies in the days of the British Empire, before America was anywhere near independence, establishing a base view of how corporate entities should function in both countries. England’s earliest chartered companies came to be in the sixteenth century, these companies included the Muscovy Company, which was founded in 1555, and the Turkey Company, which was founded in 1583. These companies were made up of a number of individual merchants that would travel together to different regions of the world to trade, all under England’s Flag. Instead of only representing themselves as individuals, each merchant actually came together to represent the chartered company, which was representing the Crown, as its own separate entity, all over the world. This is obviously the basis of how corporations came to be in England, with the idea of a large group of people not all solely representing themselves, but rather all coming together to act as one, to achieve a goal to that new entity’s benefit. However, the initial execution of this was rather primitive, only really being used for specific goals of trading or conquering in specific areas of the world that were of interest to the British Empire at that time, instead of a more long term goal that could be worked at for years.

Eventually long term focused companies did become the norm with the emergence of Joint-Stock companies in the seventeenth century, the most prominent of which being the East India Company, along with companies based in North America that established colonies such as Jamestown. These North
American Companies were very important to the history of corporations in both countries, being not only a very profitable model for the British, but also the system upon which the American Colonies were founded. The most famous of the early colonies in America were founded by the joint stock companies of England, and therefore influenced how Americans would view corporations. This also influenced how the English’s views of corporations, as many of the most successful companies in England or colonies sending supplies to England were Joint-Stock companies or corporations.

Two of the most important Acts of Parliament regarding corporations and Company Law as a whole were the Bubble Act of 1720, and the Companies Act of 1862, along with the accompanying Company Acts of 1900 and 1907. The Bubble Act of 1720 made creating a corporation much more difficult for a number of reasons. The first was that the rapid increase in Joint-Stock Companies had taken blame from the public for an economic collapse, but the act was also “…a government-created entry barrier designed to put out of business (and hinder development of) all business associations which were competing with Parliament's chartering business.”[3] The bill made people views corporations in a far more negative light, while also eliminating competition. This strengthened the already existing corporations, which happened to mostly belong to the British government. However, this bill did not directly strengthen corporations by way of enumerating powers or changing rules in their favor. Instead it indirectly strengthened mostly government owned corporations by eliminating competition under the guise of executing the public’s will. This Act is a main factor in why the British see corporations as more of a public good than as private companies, like Americans do. It created a system in which a government-run corporation was much more likely to succeed. This system would become even more prejudicial against corporations not owned by the government with later acts such as the Companies Acts in the late 18th and early 19th century.

The Companies Act, unlike the Bubble Act, directly strengthened the powers of corporations by addressing a variety of topics, including “private companies, prospectuses and allotments, regulation and registration of debentures, payment of interest from capital and of commissions, duties of auditors, reports and balance sheets, foreign companies, general meetings, voluntary winding up, and duties and liabilities of directors.”[4] Perhaps the most important thing these acts did, however, was changing how corporations could be prosecuted. Instead of being able to be taken to criminal court for crimes or offenses committed,
they could only be taken to civil court to pay damages, greatly increasing their power. This was a profound change in the power dynamic between corporations and people in the UK, because the government was now not only recognizing corporations as equal to people, but now actively giving them even more rights, as they could face far fewer consequences than an actual person would for any illegal actions. This is another case where on the surface it does not look too bad, but in reality is playing into a prejudicial system, benefitting the English government and its corporations, Because of the Bubble Act of 1720 the process of even becoming a corporation was very difficult and took an extremely large amount of money, meaning that for a corporation to exist in the first place, money was something already owned in scores. This action essentially took away the ability to effectively punish corporations, by only making it possible to take a corporation to civil court to seek monetary compensation. However, because this took the place of criminal charges, and since these corporations were inherently extremely wealthy, seeking damages would do no real harm. This act shows the mindset that the British had towards their corporations, as they were public goods, and belonging to the government, they would not be causing harm to people, as they were supposed to be working in the public’s best interest.

The Companies Act, specifically of 1862, was also what established corporate personhood in Great Britain, when it stated that corporations could have “personalities,” limiting the liability of the shareholders because they are two separate entities. This was later confirmed by the court case Salomon v. Salomon Co. Ltd. This ruling paired with the Bubble Act and change in ability to be prosecuted, to greatly increase the power of the government, their corporations, and the stakeholders of the corporations not affiliated with the government that were still in business. Now not only could a corporation not be criminally prosecuted, but the government or stakeholder could conduct their affairs through the corporation and not worry about facing punishment for it, because the person and corporation are legally two separate entities. This is effectively the idea behind limited liability, as actions would be executed through the corporations instead of the business owner and stakeholders, making the corporation responsible for any lawsuits or any other repercussions for their actions. It is easy to see why this practice would become, through corporations, such a popular method of conducting business across the world. Corporate Personhood would become yet another aspect of corporations that would be commonly used across the world, but the way in which America reached the decision to implement it was quite different than the United Kingdom’s.
America’s independence raised many questions about what needed to be done about corporations, putting it in a much more complicated position than Great Britain. While Great Britain could just pass legislation, America’s unique position due to its recent revolution, paired with its court system, would not allow for such a simple process. Instead, America worked it out through a series of court cases over a number of years. The first of these was *Dartmouth College v. Woodward* in 1819, which answered the question of what to do with a chartered corporation that was loyal to a crown no longer recognized by the country in which it resided in. The issue in this case was over a dispute between Dartmouth College and the New Hampshire State Legislature, as the Legislature was trying to turn Dartmouth into a state university by changing its corporate charter. This raised the question of whether the government was allowed to interfere with a contract between private parties, and it was decided that, due to the Contracts Clause in Article 1 of the Constitution, it was not.[7] The Court decided that the English Crown should not get any special treatment, but should instead be seen as just another private party.

*Dartmouth College v. Woodward* was the first big step in America’s legal history towards giving corporations the same treatment as real people, as this case is the first that truly limited the government’s ability to interfere with contracts, both strengthening the contract clause and increasing the rights of corporations. This was a landmark case not only because it increased rights of corporations, but because it also limited the government at the same time. This is what made all of the major changes that would occur regarding corporations in America possible for the rest of its history. Without *Dartmouth College v. Woodward*, the idea of corporate personhood, or any other major developments in corporate law, would not have been possible. The *Dartmouth* case also established in both the American psyche, and the legal system, that corporations were their own private businesses, and that the government had no right to turn them into a public good against their will. This same line of thinking would later be reaffirmed, and further expanded upon by later landmark cases.

Another landmark case in American Corporate history is *Santa Clara County v. Southern Pacific Railway Company*, which famously established corporate personhood. However, this case, much like many other landmark cases in American history, was not initially about what it became famous for. It was originally about a dispute between the California government and the Southern Pacific Railway Company over a tax on fences.[8] The Supreme Court ruled in favor of the Railway Company, which by itself was nothing
remarkable, but the reasoning that the Court used to get to that decision became incredibly important in the legal context of the country. Specifically it applied the equal protection of the Fourteenth Amendment to corporations as well as people. Despite never using the term corporate personhood in the actual case, the reasoning of applying the Fourteenth Amendment to corporations heavily implied it, and opened up argumentation for later cases to fully establish corporate personhood. This case also further established corporations as entirely private entities, with another move in restricting the government’s ability to interfere with corporate dealings.

One more case that builds upon the role of corporations in America, which is *Dodge v. Ford Motor Co.* The main issue in this case was the Dodge brothers’ claim as minority shareholders in Ford Motor Company. They were upset with Henry Ford for attempting to pay his workers more, donating to charity, and generally treating the corporation as a public good. The brothers saw this as wasteful and counterproductive to the corporation’s goal of turning a profit, and argued that because Ford had become a corporation its overarching goal should be to make money, and that all of its actions should be attempting to reach that goal. The Supreme Court sided with the brothers because the corporation was a separate entity that was created for the purpose of making money, and that it should generally stick to that goal. This was another major turning point in American legal history, but was also indicative of America’s capitalist culture that focused on the businesses and shareholders above all else. Not only did this reaffirm the view of corporations as private, but it went even further in saying that corporations were entirely separate entities from their creator, due to corporate personhood, and that this new entity could not be used as a public good even if the original owner wanted to, as it had an obligation to benefit the shareholders before all else. This was a stark contrast to Great Britain and their view of corporations as public goods, and it shows how the different legal and societal contexts in which each nation developed them impacted both the relationships between corporations and their government, and between corporations and their country’s people.

The main difference between the two nations is that for most of its history Great Britain has seen corporations as more of a public good due to the large amount of control that their government has had over it. Which they have had largely because their Parliament has given them that power through Acts such as the Bubble Act of 1720, and the Companies Acts of 1862, 1900, and 1907. By Contrast, America has seen Corporations as private entities created to make business more efficient and successful, and it has largely
acted through its courts instead of its legislative branch. This difference is not just an interesting piece of trivia. It represents of values important to each country, with America placing the power in the hands of individual businesses and shareholders, and Great Britain focusing more on the power of their own government and the corporations that operate under it. Because of this distinction, the different methods in which each nation developed their corporations make perfect sense. Great Britain’s legislative authority gave their government more power, while the Supreme Court of the United States protected businesses and limited the power of state and federal government. These differences show the different ways and reasonings behind the development of corporations and their powers in each country. However, these are all from the era in which corporate powers were left up to solely the country they resided in, and when the definition of corporations were rapidly changing, but now in the modern era where many corporations are global entities, things have become far more uniform for a number of reasons. The US and UK were also developing their ideas of corporations at the perfect time, after corporations had begun to boom, yet before they became the global superpowers they are today, meaning that the definitions were still quite malleable.

As the world has become more modernized many different things have become more universal as a byproduct of better technology, communications, and international relationships; corporations are not an exception to this. In fact, corporations are possibly more susceptible to this as many of the biggest and most successful ones do their business all over the world, or at least with a few foreign nations. This is especially true between America and Great Britain, and has caused a certain type uniformity to emerge out of utility if nothing else. This uniformity worldwide has primarily come from the ideas of Great Britain and America, with these two, and the corporations from their countries, being leaders of trade and business across the world, and spreading the idea of a modern corporation.

A perfect example of this occurred in India, which did not gain its independence until almost halfway through the 20th century, and therefore had no time to really develop their own system for corporate law before foreign corporations came in to trade and do business. However this actually greatly helped India’s economy, as before long they had many of their own corporations to rival Great Britain and America’s, and their economy had skyrocketed[10]. Part of why corporations became rather uniform was due to how successful the idea of a limited liability corporation could be, and often was, especially when dealing with other corporations across the world. Because of this, the idea of a corporation, which originally varied by a
fair amount depending on the time period and country that it was located in, had now become an almost
universal concept, because of how successful and influential the massive corporations, that had time to grow
during the developmental years in Great Britain and America, had become.

The modern business world grew to be made up of an incredible amount of corporations from almost
every country all over the world. While most of them were modeled after the British and American
corporations, many had their own quirks due to domestic laws, customs, and legal systems. This did not make
for great international business dealings, however, causing corporations to become multinational entities that
are independent from their home country in the international business arena.\[11\] Corporations were now seen
by international law as co-equal partners in certain cases, such as negotiating investor-state contracts,
showing how powerful corporations have become; surpassing the rights of people, and closing in on rights
similar to entire nations.\[12\] This autonomy and independence has granted corporations the ability to become
more similar, at least on the international scale, because they have been able to define their own terms of
business while dealing with each other in the international market. This ability, paired with the constant
dealings, has caused the international side corporations to become very similar, while still allowing for the
domestic side to vary based on the country they reside in, as many countries still had their own distinct legal
systems, and ways that corporations need to function within their own country. This means that while
corporations are seen as separate from their home country while doing international dealings, domestically
they are still apart of that country and subject to all of its rules and regulations.

Those rules and regulations are often put into place due to fear of corporations becoming too
powerful, as people in the modern era are generally more aware of what is happening in their country and
world. Meaning that they can often times see glaring problems in a system that need to be fixed, and demand
the proper change. A perfect example of this was when Parliament passed the Corporate Manslaughter and
Corporate Homicide act of 2007\[13\]. This was addressing an obvious hole in the Companies Acts that still
did not allow corporations to be criminally charged. This act made it so that Corporations could be criminally
prosecuted for acts of homicide and manslaughter, showing how corporations in Great Britain have become
less trusted.\[14\] No longer were corporations seen as just a public good that are working with the public’s
best interest in mind, they had clearly become their own entities separate from the government itself. This is
also another marker for how uniform corporations were becoming worldwide, with provisions giving some countries more or less advantages in that area becoming increasingly uncommon, at least in an international setting. However, it should be noted that this Act has been heavily criticized for not being effectively implemented and that there are still advocates for harsher punishment and sentencing for corporations. There have also been calls for laws similar to this in America, further emphasizing how corporations have become less trusted, regardless of the lens in which they have been viewed.\[15\]

It is also important to note, however, that rights of corporations are still being increased in new ways, and are becoming even closer to having all of the same rights as people, along with the bonuses of being a corporation. One recent example of this is *Burwell v Hobby Lobby Stores*, where it was decided that corporations have religious rights in addition to all of their others, due to the equal protection clause.\[16\] This case in particular has become an example of an extreme case of corporate rights being expanded too far, often being pointed to as an almost laughable example of how corporations are becoming closer and closer to being treated as actual humans. It has also been highly criticized for contradicting the *Dodge v. Ford Motor Company* decision ruling that corporations must take actions to turn a profit. *Burwell v. Hobby Lobby* is important as it shows that corporate rights are not set in stone, they are still evolving today and still have ways in which they differ, often due to the very different legal and historical context of the country that they are being dealt with in.

Corporations in the United States and in Great Britain greatly developed from their beginnings in the 16\textsuperscript{th} century, and especially developed their own unique quirks over time due to their own legal systems and cultural values. America spent its time defending businesses and corporations from their government through the Supreme Court, while Great Britain focused on expanding its government, and the corporations that operated under it’s powers. These are representative of what each culture valued most, and have influenced how their populations view corporations, even with how universal and multinational the idea of a corporation has become today. Despite how uniform corporations have become in the modern era, the historical context in which each countries’ corporations exist in is still affecting them today, as seen with cases like *Burwell v. Hobby Lobby*, where rights that would have been thought ridiculous many years ago are now being given to corporations. Without historical context, the idea of the modern corporation would seem absolutely insane, and even with historical context there are certain parts that still toe that line, but generally the historical and
legal context provides a reasonable explanation to how corporations developed from a risky new business strategy in the 16th century to the cornerstone of international business that they are today.

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[5] Ibid.
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