

Metaphysics Incorporated

Abstract

Despite their eccentricities, corporations are typically taken to be of a piece with entities of broader appeal within social ontology. For instance, much of social ontology focuses on groups/group agents, and so facts about corporations/corporate agency are taken to fall out of this more general discussion. Debate about corporations in particular, then, concerns whether firms are to be identified with some plurality (their employees or shareholders perhaps) or if there is a way to reify them as distinct entities and responsible group agents. As another prominent example, social ontologists often focus on institutions, institutional reality, and its relation to rules. And so again facts about corporations are at times read off from our more general thinking about a rule-governed, social reality. In this case, the special debate around corporations concerns whether they are best thought of as legal fictions or else as abstract objects of the law.

I won't deny that corporations bear relations to groups and to the law, but in this paper I explore why we should avoid assimilating firms to these broader discussions. I argue that corporations are neither essentially groups nor legal entities, as corporations can exist without groups of people or indeed a strict legal apparatus. This is significant metaphysically. Even more significant, though, are the implications for our understanding of corporate mentality, responsibility, and indeed their presence in the world. Thinking of corporations as groups has led many authors to assume that if firms have mental states, then we understand their mental states as shared, or on a model of collective mentality. By the same token, some have been tempted to understand corporate responsibility on a model of collective responsibility. If firms are not groups, then it is a mistake to think that corporate mentality and responsibility should be understood in these ways, when it may manifest quite differently. Similarly, thinking of corporations as legal items leads us to naturally doubt that firms can be embodied in the world, and challenging this conception of corporations provides some resources for finding them.

In contrast, I suggest that the best way of understanding the distinctive character of corporations is to appreciate the importance of the firm's *assets*. I argue that corporations are artifacts constituted by their assets, where assets themselves are complex and undertheorized financial phenomena. Tying firms to assets explains the connection between firms and groups of people and to the legal infrastructure. It also provides a means of unifying firms across heterogenous types of corporations, of specifying their persistence conditions, and of exploring the conditions of corporate agency. By recognizing how assets are themselves characterized in the fields of accounting and strategic management, this view not only connects work in the philosophy of action and business ethics to applied social sciences, but it begins a needed discussion in the metaphysics of finance.

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