

Corporatization

Concept: Corporatization

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Description In a strictly economic sense, corporatization refers to the privatization of public operations. In the 1980s, under the influence of neo-liberal thinking, some governments embarked on economic reforms that sought to marry the best of the corporate structure (efficiency and productive competitiveness) with the best of the public structure (work for the public good rather than pure profit). The thinking was that the increased competition of the corporate model — rather than the monopoly model of the government — would yield greater savings for the citizen/consumer.

Since the 1980s, corporatization as an approach to management of public institutions and services has expanded to other areas of activity, notably knowledge and cultural production. As public funds for universities have declined in countries such as Canada, the United Kingdom, and the United States, universities have turned to corporations for income. Most universities have sold exclusive marketing and sales rights to one food multinational (usually Pepsi-Cola or Coca-Cola). Corporations have been asked to fund an increasing number of academic Chair positions, thereby giving them more of a direct voice in the direction of university research.

At the same time, there seems to be an ever-increasing corporate appetite for going beyond core business and into cultural production. Although corporations once sponsored cultural events (like music festivals, car races, or theatre companies), they are increasingly in control of entire events. A beer company, for example, that once might have sponsored a concert, may now organize a concert itself, and dispense tickets only through cases of beer. The cultural event is no longer the purpose — marketing the corporation is the purpose. The blurring between the commercial and the artistic is an increasingly visible phenomenon, as artists are hired to do advertisements (as in the Absolut Vodka series), and entire albums of music are licensed for corporate advertisements before even being released to the public (as with Moby's incredibly successful debut album).

The incorporation of knowledge and cultural production more firmly into the private rather than the public sphere is a dimension of economic globalization. In shrinking public spaces and public control of knowledge and art forms, both individual and collective autonomy become compromised.