

Three Circles: Firms and Parties from the Twentieth to the Twenty-First Century

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Introduction

Firms are the key actors of capitalism and parties the key actors of representative democracy. Yet, there has been surprising little systematic examination of their relationship (Wilson and Grant 2010, 191; McMenamin and Schoenman 2007, 153; McMenamin 2012, 4). This chapter presents a synthesis that considers the pragmatic, partisan, and social relationships between business and parties, as well as interactions of the three types. It centres on the firm and the party, rather than business associations, or individual politicians or businesspeople. However, the social relationship is obviously ultimately between individuals and lobbying the party as an organisation is rare and ineffective. Instead, business lobbies the party's representatives in key offices, mostly, but far from always, in the executive. The chapter first outlines the three relationships and how they intersect. The later sections consider how economic and political changes have made, or will make, such a framework much less useful and how scholars might adjust their theoretical and methodological strategies to new contexts.

The political influence of big business is usually divided into intentional and structural categories (Lindblom 1977, 193–4; Offe 1985, 170–220). For a long time, the literature emphasised structural power. The dependence of democratic politics on the capitalist economy gave business a structural advantage. According to this theory, the threat, or even possibility, of disinvestment was seen as enough to ensure that politicians maintain business-friendly policies. Structural power, in itself, is outside the scope of this chapter, but how structural power conditions the (attempted) exercise of intentional power is highly relevant. Intentional power involves a decision to expend resources in trying to influence the political system. Structural power makes intentional power both more effective and less necessary.

Three Relationships

The deployment of intentional power by business engaging with political parties can usefully be thought of in terms of three firm-party relationships, as well as their interactions: pragmatic, partisan, and social. Pragmatic activity is interested activity, focused on increasing profits (McMenamin 2013, 8). Partisan relationships exist when businesses support a particular political party without seeking a definite benefit for themselves. Social relationships between business and parties reflect personal relationships among business leaders and/or between business leaders and party members. Most of the existing literature can be fairly straightforwardly located in this framework and it provides a way of thinking about how the work of different scholars relates to each other. Of course, this is not to say that the framework captures all, or even most, of the specific contributions of pieces of research. In the language of this chapter, Wilson and Grant's consideration of the meaning of a "business party" is an inductive account of the partisan relationship (Wilson and Grant 2010). Hopkin's application of the economic theory of democracy to parties and corruption deals with the pragmatic relationship (Hopkin 1997), as do Della Porta's hypotheses on parties and corruption (Della Porta 2004), and the many studies on whether and how businesses benefit from donations to parties (Boas et al. 2014). Tomashevskiy's study of how financial globalisation affects political finance and party competition is located at the intersection of the partisan and pragmatic relationships (Tomashevskiy 2015). Markus and Chamysh consider the compatibility and/or trade-off between pragmatic, partisan, and social relationships (Markus and Chamysh 2017). Bond's sociology of donations Conservative Party focuses on the intersection of the social and partisan relationships (Bond 2004). Finally, Harrigan's sociology of ideological and pragmatic donations relates to all three relationships (Harrigan 2017). Then next section considers two types of pragmatic relationships: political investment and networking.

Pragmatic Relationships

Political investment is the pure form of pragmatic relationship between parties and business. Firms invest resources in political activity to win policy benefits that will increase their profits. Ultimately, office-seeking politicians are elected by voters, not firms, and policy-seeking politicians often want to constrain, rather than facilitate, businesses. The theory of quiet politics asserts that "[B]usiness power goes down as political salience goes up" (Culpepper 2011, 177). When voters and the media are paying attention, politicians are sceptical of business arguments. By contrast, the public have little interest in most of the arcana of public

policy that impact business. In these low-salience areas, politicians tend to defer to the expertise of business. Business has a particular “informational privilege” (Bernhagen 2007, 135) that allows it to convince politicians to adopt policies that fully-informed policy-makers would reject as detrimental to their voters’ interests.

The quiet politics of information do not tend to be party politics. Parties do not debate whether to adopt detailed rules that impact on business. Instead party structures tend to deal with a more general approach to policy. The effect of more general policies on business will be important to most parties, but, in trying to anticipate the implications for future investment at a high level of aggregation, they are perhaps better advised by economists and other experts than businesses themselves. However, the key political actors, whether ministers, committee chairs, or brokers, who can facilitate access to senior politicians, owe their positions, either substantially, or totally to parties. Although business engagement with the political system is an important part of politics, political activity is a tiny proportion of overall business activity. This raises the question of motivation: why do specific businesses engage with politics? Policy-makers are time-poor, as well as information-poor. They cannot give a full hearing to all of the informationally-privileged business actors clamouring to lobby them. Moreover, politicians want to minimise the electoral costs of being perceived to be make decisions for the good of businesses instead of voters. While business as whole may be structurally advantaged or informationally privileged, most business actors do not find it easy to present their information to whoever they choose, whenever they choose, and however they choose. This raises the question of access: how do businesses make contact with policy-makers and what are the effects?

The most obvious source of access is size. If a firm passes a certain threshold of the interaction of size and sensitivity to public policy, policy-makers will be minded to grant them access. A large firm that is unlikely to adjust its investment strategy because of public policy is a less likely interlocutor than one that is sensitive to public policy. Some firms are so important and powerful that the language of access is misleading. When firms become political actors in their own right, they can even be seen as policymakers (Crouch 2010). In this situation, it is not clear if the politician is granting access to the CEO or the other way round. Such large firms are democratically problematic and party politicians are aware of this. Attacking them may provide important political opportunities; being seen to grant them a privileged status may be more damaging than engaging with smaller businesses or business in a more abstract sense.

Party funding is a common and controversial source of access in some countries. Business cash has very substantial costs. Politicians must be seen to represent their constituency in order to gain re-election. They cannot afford a perception that their political support can be bought. In a democracy, politicians need to emphasize that the currency of votes trumps that of money. Politicians have to manage their relationship with business funders in such a way as to minimize this cost. In terms of fundraising, politicians can try to raise money from non-business sources, in particular, ordinary voters. To the extent that business funding in aggregate is important to them, they can reduce their reliance on any individual business by raising small amounts from a large number of firms. Not only do democratic politicians avoid financial dependence on businesses, they also avoid discrete exchanges.

A discrete exchange is explicit and simultaneous. By contrast, in a reciprocal exchange, each actor's part of the exchange is separately performed and the terms are unstated and uncertain (Molm 2000, 261–2). Reciprocal exchanges are likely to involve more and smaller payments. Politicians are supposed to represent votes, not dollars and are accountable to voters, not corporations. Therefore, a discrete exchange of cash for decisions is not worthwhile in a system where accountability is effective. However, reciprocal exchanges, which make it hard to associate a payment with a decision, reduce political costs sufficiently to allow politicians to accept, and seek, useful funding from business.

Practitioners and many academics talk of the sale of access, not the sale of decisions. In a basic sense, the sale of access is a discrete exchange of cash for the chance to meet decision-makers or those close to decision-makers. In a much more important sense, that of a lucrative benefit to contributing businesses, the sale of access is a reciprocal exchange. Most access does not constitute an opportunity to lobby, never mind an opportunity to lobby with the expectation of a favourable outcome. Instead, the access businesses can usually buy offers a chance to develop a relationship, which if maintained and improved, might eventually be reciprocated in an opportunity to lobby or even a valuable decision. This is usually evident both from the low quality of the access and the low price at which it is sold. Access ranges from a chance to shake a politician's hand to an opportunity to lobby one-on-one. It is useful to think of the latter as a discrete exchange and the former as a reciprocal exchange. Obviously, there is always discrete exchange in the limited sense that a political contribution can buy an invitation to an event.

A range of factors influences the quality of access. Firstly, the situation matters. If the ratio of political contributors to politicians is large, it is unlikely that business representatives will have a chance to lobby the politicians. However, if the ratio is smaller, politicians may have enough

time to hear contributors state their case. The duration of an event works in a similar way. The longer the event the more likely it is that businesses will have an opportunity to lobby. Publicity is another important variable. As already mentioned, the perception that decisions can be bought is costly to democratic politicians. Therefore, they are much more likely to allow themselves to be lobbied in a relatively secret situation.

These variables can be used to analyse the quality of access available at fundraising events, as shown in Table 1. An important institution in Canadian politics has been the leader's dinner. This was a highly public occasion with a set-piece speech and often thousands of attendees, many at tables paid for by businesses. This sort of event only rarely provides an opportunity for real lobbying. Businesspeople would often find themselves with only one politician at their table, and, unless they were seated together, no privacy. Of course, contributors can dine behind closed doors with politicians. These events can also cater for large numbers, such as dinners or receptions for regular or large contributors' clubs. The most obvious long, public, large event with opportunities for lobbying is the annual party conference, which is important for many European parties. Companies can often gain access by sponsoring some aspect of the conference or even by buying a stand at which they can promote their interests. The closest secret equivalent of the conference is an extended policy seminar or workshop. In Australia, such workshops can last longer than a day and are a benefit offered to members of donors' clubs. Meetings between small numbers of donors are rarely long or public due to the potential costs to the politicians. However, pre-dinner receptions at large events such as conferences and leaders' dinners might fit into the category of a short public event with few people. The final category is that of high quality access—a short, secret one-to-one meeting at which a representative of a donor business receives an opportunity to lobby a decision-maker.

[Table 1 about here]

Secondly, some features of the firm influence the quality of access. Clearly, the bigger the donation, the more useful it will be to the politician. However, this is a complicated issue, because the larger a donation the more visible it will be and the greater political cost it will impose on a politician. In Canada, when corporate donations were legal, the size of contributions was conventionally capped in order to avoid the perception and reality that politicians could not refuse favours. Indeed, politicians quite often pointed out how they can and do refuse to make decisions in favour of political contributors. The size of a firm also decreases the likelihood that the contribution has bought the lobbying opportunity, as the sheer

economic weight of large firms usually gives them good access to decision-makers. The particularity of the policy at issue increases the cost for politicians. Therefore, the narrower the issue the less likely politicians are to allow themselves to be lobbied. For example, if a decision benefits only one firm, the politician may be open to allegations of favouritism or corruption. On the other hand, if a policy benefits a wide range of firms and others, it is easier to claim that the decision was unconnected to donations and lobbying. The visibility of an issue also reduces opportunities for lobbying by increasing the politician's costs. Areas under close public scrutiny are ones where politicians are more likely to resist the claims of special interests and party funders, as the theory of quiet politics asserts. Thirdly, some politicians are easier to access than others. More powerful politicians should have more money from more sources than less powerful politicians. Contributions will be less valuable to them and they will be less likely to trade them for high-quality access. Also, the more visible the politician the higher will be her costs of granting lobbying opportunities to businesses. Table 2 summarizes these influences on the quality of access.

[Table 2 about here]

Considering the different circumstances that influence levels of access suggests that most fundraising events provide, at their most useful, only a fleeting, risky, and low-quality opportunity to lobby. The "language of access may serve to symbolically launder the money going from" business to policy benefit (Hall and Wayman 1990, 800), but, ironically, it also may serve to taint meetings between businesspeople and politicians, where there is no opportunity to receive a hearing and state a case. High quality access, in the sense of receiving an opportunity to influence a politician, requires a minimum amount of time, a maximum number of participants, and a minimum level of secrecy. Any degree of publicity increases the politicians' costs so much that no lobbying opportunity is likely to be granted. On many social occasions, there will be too many people, and too little time, to even mention an important and sensitive issue, which is of particular concern to a firm. So, for example, the annual leaders' dinners, and other large fundraising dinners starring cabinet ministers, are likely to have provided low quality to businesses that invested in tickets.

However, many access opportunities are consistent with reciprocal exchanges between businesses and parties. Such events serve to build and maintain relationships that might, on a later occasion, increase the chances of a real lobbying opportunity and the chances that such access achieves its aim of influencing a decision. High quality access consists of an often brief,

but secret, one-to-one meeting or communication with a decision-maker, as well as some real expectation that the ‘pitch’ will be considered favourably. This sort of access is more likely to be provided through a broker such as a member of a minister’s staff office, one of the party’s ‘bagmen’, a MP, or a provincial politician, who not only realizes that the firm is a regular and substantial political contributor, but may well remember a name and a face and have some understanding of the needs and problems of the firm. In other words, the decision-maker would need to be convinced, often through his trust of the broker, that she and her party are obliged to reciprocate the firm’s financial contributions. Effectively, the firms are trying to buy their way into a network. This type of pragmatic relationship is also a social relationship.

In practice, the distinction between discrete and reciprocal exchanges can be subtle. Indeed, businesspeople that mistake discrete for reciprocal exchanges can be disappointed. A ticket purchased as a lobbying opportunity can turn out to be a social occasion, at which lobbying is neither possible nor welcome. Instead, the rationale is that a sequence of such payments and meetings can develop a relationship, which will put politicians under an obligation to try to reciprocate when lobbied in the future. Moreover, such meetings contain elements of both a reciprocal and a discrete exchange. There has been a discrete exchange of cash for the in-itself unimportant opportunity to share a social occasion with some politicians and a reciprocal exchange of cash for the important opportunity to receive a policy benefit. The notion of reciprocal exchange also suggests there is a hard-to-observe continuum between asocial political investment and networking for business profit. It also suggests that the networking relationship is likely to be more successful and more common.

Partisan Relationships

This following reviews three types of partisan relationships: spatial theory, party identification, and conditional investment. Spatial theory describes a pure partisan relationship because there is no profit motive, and therefore no pragmatism, and no social relationship. The preferences of business can be studied individually or systemically. The Varieties-of-Capitalism school studies how national political and economic institutions shape business preferences over public policy. These institutions were born out of negotiations around the time of the birth of mass democracy and labour unionism. In multi-party systems, right-wing party leaders had incentives to delegate decision-making to business associations and labour unions (Martin and Swank 2012, 3). They believed that a corporatist framework was more beneficial to business than fighting a losing battle in a legislature where farmers’ and workers’ parties could outvote pro-business parties. By contrast, in two-party systems, the right concentrated on the prize of a

majority in the legislature and had much weaker incentives to delegate policy to representative associations. These different origins explain much about the extent to which business acts collectively and its preferences over economic and social policy (Martin and Swank 2012, 227).

The “Open Economy Approach” has also focused on the interaction of economic interests and political institutions and is divided into the sector and factor approaches. A factor of production is an input in the production of goods and services, such as land, labour, capital, and entrepreneurship. The factor model assumes that business preferences will be driven by the relative prices of capital and labour. The sector model argues that business preferences will be shared with employees and other businesses in the same sector. For example, the sectoral approach might see workers and owners in manufacturing pitted against workers and owners in services, whereas, in the factor approach, the owners of manufacturing and services firms would be opposed to the workers in both sectors. Of course, ultimately these economic interests have to be processed by institutions within the firm (Martin 1995). Majoritarian electoral systems elect politicians in small territorial units, thereby emphasising sectoral preferences, whereas proportional electoral systems elect politicians in large constituencies, thereby facilitating the unity of capitalists.

These theories concentrate on policy preferences, not party preferences. They assume that party preferences follow from policy positions. In the Varieties-of-Capitalism approach the importance of political party differences depends on the national institutional comparative advantage. In co-ordinated economies, business associations enjoy deep relations with policy-makers regardless of the composition of government (Hall and Soskice 2001). In liberal economies, government-business relations are more distant and also subject to greater change when there is a governmental turnover. Liberal economies are associated with a more intense business preference for pro-business parties. The factor approach should be associated with a clear identification with the political right, but the sector approach allows for more nuanced partisan preferences, depending on the nature of the sector and common cause with workers.

Pragmatic relationships revolve around private goods, while partisan relationships focus on public goods. They express a preference for government based on a particular set of values and assumptions. Businesses often support a free-market ideology, but can also support other views of government and business, such as a developmental state. Nevertheless, partisan relationships can combine with pragmatic relationships in the form of conditional investment. An offer of information, money, or other resources by business to a particular party may

conflict with the partisan relationship of a business. Its commitment to support a general policy position may preclude a pragmatic exchange of in the hope of a profitable narrowly-targeted policy good. This could also work in reverse: parties may not want to offer access or policy goods to supporters of their opponents, regardless of the information, money, or other resources they could gain in return. Undoubtedly, co-dependence can mean that the unwavering commitments of election campaigns are replaced with a can-do attitude when a new government is formed. Nonetheless, partisan commitments are meaningful and conditional investment can be observed in political finance in many countries, where business donates to both sides, but is more generous and consistent in giving to some parties than others (McMenamin 2008).

According to spatial theory, businesses will obtain and process the information to choose the party closest to them and will have no problem in changing their partisan relationship should the policy preferences of the businesses and/or the parties change. Party identification, by contrast, suggests a relationship that is much less conscious and relatively impervious to change. One reason for this is that parties can provide a cue to the complex policy environment, so that businesses, which are, after all about making money, not studying politics, can save time and effort. Party ideologies or brands can provide a trustworthy shortcut that does not require a constant updating of positions in the policy space. Just as politicians do not have enough information about business and may be prepared to defer to expert practitioners; business does not have enough information about politics and may be prepared to defer to politicians. A separate, but entirely consistent, mechanism is socialisation. Businesspeople spend a lot of time with other businesspeople and will influence each other politically to support the dominant choice of the business community. If business were conducted in isolation from other businesspeople, the political choices of businesses would be more diverse. In relation to individual voters, the classic socialisation literature placed a great emphasis on the learning of a political identity and values during childhood. This applies less obviously to businesses, but, of course, if your mother is a businessperson you are more likely to be a businessperson too and to learn her political values and loyalties as well. Once established such an identification can be highly resistant to the policy manoeuvres of parties. Social links between parties and businesses can maintain identification when preferences are much less aligned.

Finally, we have a combination of all three relationships. In this party-firm scenario, we should see an interlocking and reinforcing of relationships, as envisaged in sociological elite theory (Mills 1959: 7-9; Shipman, Edmunds, and Turner 2018). Firms engage pragmatically with

parties in pursuit of increased profits. In doing so they can simultaneously profit from and strengthen the social network of their leaders and their firm's partisan relationship with a party or parties. For example, the rise in inequality in the US in recent decades has been attributed to "organisational politics" in the sense of a determined and sustained self-interested business campaign combining money, ideology, and networking (Hacker and Pierson 2010: 175-179). The "Inner Circle" posits a very specific mechanism to combine the three relationships (Useem 1984). A group of businesspeople with multiple directorships develop the ability to scan the business and political environments, so that they can engage personally and collectively with parties on behalf of the narrow interests of particular firms and on behalf of a general preference for a particular party. Social ties among business leaders can help overcome collective action problems in political action to facilitate the support of a preferred political party (Bond 2004).

Figure 1 shows this synthesis in the form of a Venn diagram. The space denoting a social relationship without a pragmatic or partisan relationship is left blank, as it is unpolitical, and therefore irrelevant to this chapter.

[Figure 1 about here]

After simplicity

Political science professionalised during a period of rare political simplicity. The urge to move away from description to theory building was facilitated by the structured nature of politics after the Second World War in the West. The rule of law was very strong, meaning that easily identifiable and measurable institutions were a good guide to behaviour. Political competition was institutionalised in the form of mass, programmatic parties. Spatial models provided a reasonable guide to political competition. The stability of the systems allowed theories to be developed and tested over time. These institutions were contained within nation states, which were responsible for most of the key decisions affecting the environment for business. The validity of methodological nationalism began to break down with the surge in economic and political globalisation beginning from roughly the 1980s. Around the same time, economic and social change began to undermine the stable, programmatic party systems. The anchor of the system was the left and it was in turn dependent on a Fordist mode of production that was breaking down into something more complex and much more difficult to conceptualise and mobilise politically. The void left by the atrophy of stable programmatic parties with strong

social bases has to a large extent been replaced by ephemeral personalist actors. The party systems have been partially displaced by outsiders like Macron and Trump, who campaign against all existing parties with an appeal centred on their own charisma. I briefly consider the impact of economic changes (globalisation and big tech) and political changes (realignment, dealignment, and de-institutionalisation).

Changes in the nature of firms

The quiet, subtle politics of business-political relations was always a greater challenge to theory builders than the arena of mass political behaviour with its election results and representative surveys. Nonetheless, the rule of law, party systems, and the nation state did allow the development of a common language and some useful mid-range hypotheses and generalisations. If we abandon methodological nationalism, even such a modestly parsimonious project appears difficult. The politics of globalisation is less institutionalised, less stable, and less transparent. Global governance takes a variety of forms such as networks of national regulators, standards and rules set by networks of businesses and their representatives, voluntary codes created by international organisations, and, of course, formal supranational institutions, the most developed collection of which comprises the European Union (Camerra-Rowe and Egan 2010: 407-8). Only in the last is there anything more than a marginal role for political parties. The European Parliament is a powerful assembly organised around political parties. It is a co-legislator with the Commission and Council, which together form the executive of the EU too. Neither owe their existence to the Parliament, as do national parliaments, and neither is organised around the same party system as the Parliament. Even in this exceptional international example then, the relevance of parties has been attenuated. Nonetheless, much of this literature could at least hold on to national party systems and produced much interesting work about how national political systems were, and were not, adjusting to a new economic reality (Katzenstein 1985).

Globalisation is, of course, related to technological change. The internet and related technologies still constitute a sunrise industry, the regulation, taxation, and social role of which is still being negotiated. The politicisation of this industry is intense. Not only is it carrying out some functions that would previously have been considered more appropriate for political authorities (content moderation and countering extremism), they have become important players in political competition itself, as their policies can influence or even decide elections.

This means, that, all other things being equal, big tech be more important to political parties, and vice versa, than is the case for firms in most other sectors. Clearly, some things are not equal. The tech firms are, in terms of value and power, not merely large, but some of the most powerful corporations ever to have existed. In many contexts, it is easier for them to shift their investment, than it is for other firms. For example, the location of their activity and their intellectual property is hard to pin down, allowing them to shift massive tax bills from jurisdiction to jurisdiction fairly easily. For both of these reasons, the European Union is the most important regulator for big tech and, as just pointed out, the role of parties in its political system is much weaker than in democratic nation states.

Changes in the nature of the party system

Most existing approaches to party-firm relationships have assumed a very, or somewhat, stable party system. Realignment is a plausible alternative interpretation of Western party systems. The consensus on economic globalisation is breaking down. Centre-right parties have to decide whether to adopt nationalist positions on multilateral economic governance. This represents the emergence of a second policy and ideological dimension (Inglehart and Norris 2016) that is vital to business. Political parties may be position close to business on the left-right dimension, but far from business on the globalisation dimension. This puts business in the difficult political situation of having to decide whether the left-right or globalisation dimension is most important. In the new more complex and fluid policy space, donations to political parties can provide new insights into the preferences of donors and indeed into whether policy positions, or party identification, drive donations (McMenamin 2019). The stability of many party systems over the last century or so has meant that party identification and spatial theory have been observationally equivalent because the traditional party of business was always closest to business along the left-right dimension. The opening up of a second dimension makes politics confusing for business but may present scholars with an opportunity to distinguish between party identification and spatial theory, at least in the short run. In the medium term, a fundamental realignment should mean that spatial theory becomes relatively more important than party identification. Similarly, political investment in discrete exchanges should become more important relative to networking and reciprocal exchanges, which depend on more stable social structures and identities. In the long term, we might expect the social relationships to adapt to the new party system and social relationships to reassert themselves.

Another interpretation is dealignment, which means that parties remain important, but, because the line-up of parties, and their character, keeps changing businesses cannot form long-term relationships with parties. Using the same logic as above, such a dealigned party politics would involve more spatial theory and less party identification, as well as more political investment in discrete exchanges and a lower level of networking and associated reciprocal exchanges. Populism suggests a development beyond dealignment to the atrophy of party politics and party government. If parties are mere vehicles for charismatic individuals and leaders bypass organisational intermediaries, parties will be much, much less important. Indeed, if populism becomes embedded it should undermine some of the institutions of government and politics in order to establish a supposedly more direct link between people, leaders, and policy. National constitutions are designed to constrain individuals. Nonetheless, the personalisation of politics surely has at least an elective affinity to less bureaucratic policy-making and a weaker rule of law. The post-war party systems are much more unusual, comparatively and historically, than populism, so there some reason to believe that Western political scientists should treat current developments as the new-old normal, not a temporary aberration (Kenny 2019).

With populism the national components of the globalised political-economic semi-order also become challenging to study. The stable parties with their relatively clear positions in the policy space and relatively well-known relationships with business are disappearing. If globalisation and the rise of the tech industry makes the study of business and politics difficult, globalisation multiplied by populism may make systematic study impossible. This comparison of the past and possible futures is summarised in Table 3. Social scientists can aspire to grasp complexity, if it is stable and change if it is simple. Twentieth century philosophies of social science and empirical techniques do not have much hope of mastering complex instability. The availability of big data and artificial intelligence to analyse it constitutes a revolution in the empirical basis of much of social science. These techniques also have big implications for our philosophy of social science. Some might say that atheoretical papers have become acceptable in a way they would not have been so long ago. More positively, we can point to a shift towards induction and the embrace of complexity and away from deduction and reductionism. The path towards a successful social science of high-tech induction is much less clear for business and politics than it is for many other sub-fields. Big data and machine learning are both very good at network analysis. This is an approach with a distinguished history in the study of business and politics, as well as one suited to the fluidity and complexity of our current situation. Nonetheless, business networks are mostly quiet networks, not noisy data-rich social-media

clusters that can be scraped from the internet. The social science of quiet politics will have to continue to rely on the old-fashioned case study. If we produce enough of them, perhaps machine learning can help with meta-analysis: it is already identifying gaps for scholars (Nunez-Mir et al. 2017) and document searches for litigators (Rayo 2019). This sort of meta-analysis is effectively secondary induction, as opposed to induction from primary sources that we see with social media, so it is still very much marked by scholarly theories and biases.

[Table 3 about here]

Conclusion

The structural advantage of business is reduced by politicians' democratic incentives. The low salience of many business issues shifts back towards business again because policy-makers are at an informational disadvantage. These quiet politics are not obviously party-politicised, but key political actors owe their positions to political parties and inevitably incorporate party preferences into their political behaviour. Businesses relate to parties in three ways. The most studied has been the pragmatic relationship, wherein politics is purely an extension of the firm's profit-seeking mission. This area has been normatively important but methodologically challenging as it is very difficult to convincingly associate business cause with policy outcome via party action or inaction. Some of the mystery is resolvable if we consider reciprocal, as well as discrete exchanges, and acknowledge the power of networking for business lobbyists. It is also important to acknowledge that party-firm relations can take the form of a partisan relationship, similar to that between voters and parties in the West. Business resources expended on such a relationship are not justifiable from a narrow, pragmatic perspective. A pure version of this can be described by spatial theory and where it combines with a social relationship businesses are party identifiers. Another reason that the pragmatic relationship has been tricky to study is that party-firm relations often combine it with a partisan relationship, in a situation that can be called conditional investment, where businesses will exchange resources for policy with some parties, but not others. Finally, when the social, pragmatic, and partisan relationships interlock and reinforce each other the party-firm relationship reflects sociological elite theory.

The business-government relations literature has historically been dominated by the case study, partly because of the subtle and often idiosyncratic quiet politics that encompasses most

business political activity. In recent decades, there has been more quantification, mostly on the basis of a methodological nationalism that is reasonable given national political economies and stable party systems. Parties continue to dominate national politics and national policies continue to be existentially important for many businesses. Therefore, the three intersecting circles of party-firm relations constitute a good framework for thinking about the literature in this area. Nevertheless, strong, but hardly ineluctable, economic and political trends make such an intellectual project much, much more challenging. Increasing complexity across space and speed of change suggest that twentieth-century case studies may not, by themselves, be able to provide a guide to the new context. Possibly, a combination of electronic processing power and human insight can manage a new synthesis for party-firm relations in the future. Or maybe not.

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Figure 1. *Relationships between Firms and Parties*

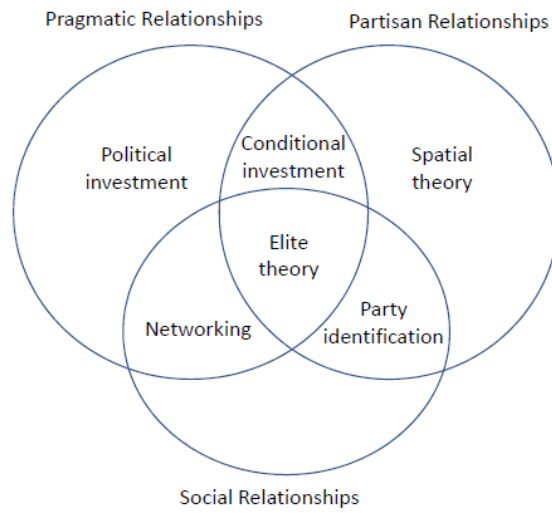


Table 1. *Fundraising events and access*

	Many people		Few people	
	Public	Secret	Public	Secret
Short	Leader's annual dinner	Club dinner	Pre-dinner reception	One-to-one meeting
Long	Party conference	Club seminar	—	—

Table 2. *Influences on quality of access*

	Ratio of contributors to political actors	Decrease improves access (by improving prob. of benefit to firm)
Situation	Publicity	Decrease improves access (by lowering political cost)
	Duration	Increase improves access (by improving probability of benefit to firm)
	Size of contribution	Improves access (by increasing political benefit)
Business	Size of firm	Decreases value of access (by decreasing probability that payment is reason for access)
	Particularity of issue	Decreases quality of access (by increasing political cost)
	Visibility of issue	Decreases quality of access (by increasing political cost)
Politician	Power	Decreases quality of access (as likely to decrease value of contribution)
	Visibility	Decreases quality of access (by increasing political cost)

Table 3. *Building Theory about Business and Parties*

		Economy	
		National	International
Politics	Stable Post-War	Doable	Difficult
	Populism	Difficult	Impossible?
