The Structural Power of Business:
A Response to Stephen Bell

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Abstract:

The relationship between government and business is clearly a key feature of advanced capitalist democracies. Lindblom (1977) addressed this issue, although his work was heavily criticised by both pluralists and non-pluralists. More recently, there has been a revival of interest in these debates. In particular, Bell (2012) develops a sophisticated critique of Lindblom (1977) and Culpepper (2010). In our view, while Bell's work marks an important advance, it has two main, related, weaknesses. First, his treatment of Lindblom is partial, underplaying two features of his position: the argument that a key element of the power of business revolves around their capacity to manipulate volitions; and the core aspect of Lindblom's work which is the idea that the relationship between government and business is an exchange relationship, in which government is able to negotiate away some of business' power. Second, his treatment of the structure/agency issue is also partial, because he: only examines some of the contemporary literature on this issue, treating Archer's work in an uncritical way; conflates two separate, if related, meta-theoretical issues, the relationships between structure and agency and the material and the ideational; and has a limited discussion of agency. This paper develops these critiques.

The relationship between government and business is clearly a key feature of advanced capitalist democracies. Lindblom (1977) addressed this issue, although his work was heavily criticised by both pluralists (Vogel, 1987, 1989) and non-pluralists (Marsh,1983). More recently, there has been a revival of interest in these debates (Culpepper, 2011; Bell, 2012; Bell and Hindmoor, 2013; Marsh, Lewis and Chesters, 2013). In particular, Bell (2012) develops a sophisticated critique of Lindblom (1977) and Culpepper (2010). In our view, while Bell's work marks an important advance, it has two main, related, weaknesses, which we explore here. First, his treatment of Lindblom is partial, underplaying two features of his position: the argument that a key element of the power of business revolves around its capacity to manipulate volitions; and the core aspect of Lindblom's work, which is the idea that government and business are involved in an exchange relationship, in which government is able to negotiate away some of business' power. Second, his treatment of the structure/agency issue is also partial, because he: only examines some of the contemporary literature on this issue, treating Archer's work in an uncritical way; conflates two separate, if related, meta-theoretical issues, the relationships between structure and agency and the material and the ideational; and has a limited discussion of agency. This article develops these critiques, suggesting that recent, critical realist-inspired, work on these meta-theoretical issues can underpin Lidndblom's argument, and thus respond to Bell's criticisms. We begin with a discussion of Lindblom and Bell's critique of him and Culpepper (2010), before turning to a critical appreciation of Bell's treatment of the two meta-theoretical issues.

i)   *Lindblom's Position*

For Lindblom, the power of business rests on two key pillars, First, according to Lindblom, every political system needs a mechanism for taking decisions about jobs, prices, production and grants, which are inevitably public in two senses: they affect the standard of living and economic security of everyone; and the performance of the economy crucially influences a government's re-election chances. In contemporary capitalist systems, it is businessmen, rather than Ministers or public servants, who control key decisions on all aspects of production and distribution. In consequence, for Lindblom, a, perhaps *the*, major role of government is to encourage businessmen to invest and produce; thus increasing GDP and improving everyone's standard of living.

In a market system, businessmen cannot be compelled to invest or produce in particular ways, rather they must be offered incentives; subsidized services, grants, tax breaks or government

contracts. All this means that, to Lindblom, business is different from other interests in society. To public officials: 'They appear as functionaries performing functions that government officials regard as indispensible' (Lindblom, 1977, 179). In effect, for Lindblom, the structural position of business in the economy gives it a veto over government policy decisions in areas of economic, industrial and industrial relations policy.

As such, to Lindblom, the key power of business is structural, with a coercive and an ideological dimension. Business can 'threaten' government that it will not invest or invest in another country. At the same time, however, Lindblom emphasises that business can manipulate the views, or in Lindblom's term 'volitions', of the population. Here, the key argument is that, if the dominant ideology in a society legitimises business' interests as synonymous with the 'national interest', then business' interests are likely to be served, regardless of any representations by business groups, or individual businessmen, to government (Lukes, 1974, terms this the third face of power; on this debate see Akram, Emerson and Marsh, 2013).

Most recent contributions play down this latter aspect of Lindblom's argument. However, they also underplay Lindblom's argument that the relationship between government and business is an exchange relationship; and one which is not necessarily asymmetric. This is because government has significant resources to exchange; it has a legitimacy, which business lacks, and controls decisions about tax relief, grants and infrastructure investment, which business wants. As such, politics in contemporary capitalist society involves a continual process of negotiation between government and business. It is a process which takes place in terrain which favours business, but in which government, using its resources, can bargain away some of that structural power; this is exactly why Lindblom termed himself a .4 pluralist.

ii)   *Culpepper and Bell*

In a recent contribution to the literature on the power of big business Culpepper takes strong issue with the structuralist elements of Lindblom's view, although, as Bell and Hindmoor (2012, 1) emphasise, Culpepper is not totally consistent in the way in which he treats structural power. He sees business as a powerful interest group, but one which is constrained in ways which Lindblom doesn't consider.

Overall, Culpepper makes three, related, main points. First, he asserts:

> the more the public cares about an issue, the less managerial organisations will be able to exercise disproportionate influence over the rules governing that issue. In other words, business power goes down as political salience goes up (Culpepper, 2011, 177).

Of course, such an assertion is not necessary inconsistent with Lindblom's broad argument, as he could easily argue that the value of the resources which government have in negotiations with business, particularly legitimacy, increases when the public is more engaged with an issue.

Second, Culpepper contends, along with most of the literature in interest group studies, particularly the literature on 'insider' and 'outsider' groups (see, for example, Grant, 2004), that powerful groups attempt to influence policy in direct negotiations with government behind closed doors, in what he terms the arenas of 'quiet' politics, rather than, 'noisily', in the public gaze (Culpepper, 2011, 189). Again, this is an argument perfectly consistent with Lindblom's broad position, given he suggests that negotiations between government and business interest group activity, most of which would be 'quiet', are the very stuff of contemporary politics; it's just that he doesn't sees it as occurring on a level-playing field.

This leads Culpepper (2011, 187) to develop an interesting, third, argument. He suggests that business is only likely to be unified on issues that are high-profile ones and which will also attract attention from the media and voters. Consequently, although politicians may usually defer to the expertise of business on complex policy issues that concern them: 'when governing parties … know that political issues are debated in the media – and that people are watching – they have powerful electoral incentives to respond to the dictates of public opinion' (Culpepper, 2011, xv). As such, Culpepper argues, contra-Lindblom, that: 'Business may indeed have a structural advantage, as Lindblom argued, but the value of deference is conditional on public attention' (Culpepper, 2011, 187).

Crucially, Culpepper is arguing that the structural power of business varies and, in particular, is mediated by the role of the media and public opinion. This is an important

point, but little attention is paid here to what underpins public opinion or whether the interests of business are forwarded by the media.

Bell's (2012) critique of both Lindblom and Culpepper is much more sophisticated and responds to, indeed in part relies upon, some recent debates on the structure/agency and the material/ideational problems (see also Bell and Hindmoor, 2012). In broad terms, Bell's approach reflects the increased focus on ideas and agency in much contemporary Political Science literature (Marsh, 2010), although it is interesting that he sees a focus on agency as a response to both structuralism *and* the rising tide of constructivist institutionalism which stresses the role of ideas (see Bell, 2011; and for a critique of this position see Marsh, 2010).

More specifically, Bell argues that any analysis of the power of business needs to take account of: the role of what he terms situated agents; the role of ideas, and particularly the ideas which are believed and acted upon by both government and the public; and the broader political and economic context within which business tries to influence government. Bell's approach does move the debate forward, but it still has significant weaknesses. He focuses on agents and ideas, but his treatment of agency is limited.

Crucially, Bell (2012) argues that 'structural power' doesn't involve the imposition of power from above, but is, rather, best seen as the outcome of a *relationship* between actors with differing attributes and capacities; these are the situated agents. As such, the core of his argument revolves around the need to take agency seriously. Consequently, he cites, with approval, Blythe's (2006, 698) claim that actors don't, and can't, simply 'read' off their interests from a structural 'instruction sheet'. We don't disagree, but, in our view, Bell's treatment of agency, and in particular its interaction with structure, which follows the work of Archer is limited for two reasons. However, before examining these issues, it is important to distinguish the early and later work of Archer on the structure/agency issue.

Archer (1995) made a significant contribution to understanding dialectical approaches to structure and agency in developing the morphogenetic approach. However, her subsequent two books (2000, 2003) focus on the concept of agency within the structure and agency dialectic, attempting to delineate its precise characteristics; an issue which Archer argues has been ignored in previous literature. In our view, there

are significant problems with Archer's concept of agency as developed in this later work. The morphogenetic approach emphasized that both structure and agency had independent causal power in the dialectical relationship between them. In contrast, Archer's later work on agency privileges reflexivity and, therefore, by implication sees the relationship between structure and agency as pre-constituted. Reflexivity is clearly an important aspect of agency, however, in our view, Archer overplays this process. In addition, we would argue, a point developed below, that Archer's concept of agency is problematic because it does not include a notion of the pre-conscious, so has no way of conceptualising how social structure can influence behavior in ways of which the agent is unaware. Overall, whilst we welcome Bell's focus on agency in understanding the structural power of business, we argue that his reliance on Archer's concept of agency is misplaced.

iii)   *Beyond Bell*

As we said, Bell draws on Archer's later work, which focuses exclusively on agency and no longer examines the dialectical interaction between structure and agency, which, in our view, is crucial to examine the power of business. As such, Archer, unlike Giddens (1979) or Hay (2002), treats structure and agency as ontologically, as well as analytically, separate; a position which reflects her critical realist position (see below). However, she, like Bell and Hay, but unlike Giddens, does not accept that structures can have an effect on agents of which they are unaware. Here, they reject the idea that there is a third face of power in Lukes' terms. In doing so, we would argue that Bell's approach underestimates the influence of structure and, thus, is too critical of Lindblom's view about the structural power of business; a power which depends to a significant extent on the manipulation of volitions.

Second, Archer's take on agency, which Bell follows, is partial at best, because it focuses overwhelmingly on reflexivity, and pays no attention to the different capacities of agents to use the resources they have; a key focus of the way a social psychologist would approach the problem of agency. Of course, this is also a major element of Lindblom's argument and particularly his view that government has key resources which it can use to mediate the power of business, provided of course it has the skill to do so. Next, we examine each of

those critiques in more detail and suggest how they can help us develop a fuller understanding of the power of business.

a) The Structure/Agency Dialectic

As Bell argues, agency is situated, so actions are conditioned, but not determined, by structural and contextual factors. However, he doesn't acknowledge that structure and agency, and the material and ideational are ontologically separate; seeing them instead as co-constituted. Consequently, he doesn't see structure and the material as having independent causal power. The problem here is that inevitably, this means that he ends up privileging agency and the ideational. So, outcomes are affected by agents' actions, which, in turn, are affected by their perceptions/understanding of the structure. This perception/understanding is also likely to be shaped by ideas/the ideational. This approach has clear methodological implications, because it means we focus on asking agents their views of the structure and the ideas which effected their actions.

Our point here is that Bell's and Archer's approaches avoid some other work on the structure/agency and material/ideational problems, which we briefly consider here (for more, see Marsh, 2010). The first point to make is that Bourdieu's approach to this issue, and indeed Archer's earlier work on the morphogenetic cycle, basically see the relationship between structure and agency as dialectical; that is interactive and iterative. Both structure and agency can have an independent effect on outcomes, but, in most cases, it is the way in which they interact that shapes those outcomes. Of course, in arguing this, we are emphasising that agents can have an effect on agents of which they are unaware; a crucial issue also in the literature on power.

So, Lukes' discussion of the third face of power, preference-shaping, contends that policy occurs within a social, cultural, economic, political and institutional framework which favours some interests over others. This position rests to a significant extent on the contested idea of 'real interests'. Here, citizens, especially disadvantaged citizens, are seen as socialised into a partial, even 'false', view of their own interests; in Lindblom's terms their volitions are manipulated. This serves the interests of those who are powerful in society, particularly, business or capitalist interests. Of course, this is a view which is heavily contested (see Hay, 2002 and for a response to this critique see Akram, Emerson and Marsh, 2013).

We defend Lukes' position, but underpin it by developing the idea of the unconscious (we prefer the term pre-conscious)[1] embedded in Bourdieu's concept of habitus. Bourdieu's concept of habitus has been highly influential in the Social Science because it helps us to understand how agents are affected by social structures and how social structures, in turn, are affected by agents. To put it another way, it proposes a dialectical, that is interactive and iterative, relationship between structure and agency. It also helps us explain how structures can have an influence on agents of which they are unaware, if we acknowledge its pre-conscious elements.

Bourdieu's defines habitus as 'systems of durable, transposable dispositions' (1977, 72); seeing dispositions as 'the result of an organizing action, with a meaning close to that of words such as structure' (Bourdieu, 1977, 214). In the broadest terms, habitus refers to: 'our overall orientation to, or way of being in the world; our predisposed way of thinking, acting and moving in and through the social environment that encompasses posture, demeanour, outlook, expectations, and tastes' (Sweetman, 2003, 532).

Bourdieu's texts are peppered with references to the 'unconscious' and, more frequently, to how actions are 'not conscious'. As an example, in *Outline of a Theory of Practice*, Bourdieu writes:

> The 'unconscious' is never anything other than the forgetting of history which
> history itself produces by incorporating the objective structures it produces in
> the second natures of habitus... (1977, 78-79).

In addition, many of Bourdieu's followers have commented on the unconscious/preconscious aspects of habitus. So, Sweetman (2003, 532) states that: '(H)abitus is predominantly or wholly pre-reflexive, however, a form of second nature, that is both durable and largely

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[1] In previous work on this issue (Akram, 2012) one of us defends a notion of the unconscious, but in more recent work, we deem it more suitable to term this aspect of agency as the *pre-conscious*. A further option is to term this element of agency as the pre-reflexive, which some of the literature does (Adkins, 2003; McNay, 1999). However, this option was abandoned because this highlights reflexivity as the key or normal feature of agency, which is to over-inflate its importance. Choosing pre-fixes such as 'un', 'pre' or 'sub' to add to the term 'conscious' is clearly an important decision as one lends claim to a long history of the concept in psychoanalysis, whilst the others will not.

unconscious' (see also Adams, 2006, 514; Adkins, 2003, 24; King, 2000; Jenkins, 2002; Elder-Vass, 2007).

So, for us, the habitus operates at a preconscious level and is what underpins the preference shaping to which Lukes refers. Of course, we acknowledge that there are significant methodological problems in uncovering the habitus and establishing that preferences have been shaped; that agents are influenced by structures in ways of which they are unaware. We have insufficient space to explore these issues here, but two points are crucial. First, our position is a critical realist one. Second, it points to a methodology which aims to uncover such effects; critical discourse analysis. We examine each of these points briefly.

For a critical realist, there is a 'real world' which exists independent of our understanding of it, and, thus, they have a realist, 'depth' ontology (Sayer, 2000). However, we only have limited access to that real world, so there are deep structures, the 'real' world, which cannot be directly observed, although we can observe the 'empirical' and, to a significant extent, the 'actual' world. These deep structures, of course, influence agents in ways of which they are likely to be unaware; certainly we cannot establish the influence of these structures by simply asking agents about such putative influence. Of course, this immediately raises an issue: how do we know such deep structures exist, if we can't directly observe them? The critical realist response to this question is to argue: first, that we can see some of the effects of these deep structures, which exist in the 'real' realm, in the 'empirical' and 'actual' realms; and, second, that it is our theory which allows us to explain what we can see in terms of what we can't see.

In addition to using theory for understanding the nature of social structural interaction, critical realists also have a useful methodological tool in the form of critical discourse analysis (CDA), as developed by Fairclough (2002). Fairclough's methodology complements a critical realist ontological position, because it combines analysis of language with analysis of wider social structures. CDA documents how discourse is shaped, influenced and constrained by social structure, by demonstrating the extent to which texts construct or position individuals or readers. This approach combines an understanding of events at the empirical level with a broader ontological analysis, which links them to the actual and real realms of the critical realist ontology.

Here, it is worth briefly reflecting back on Lindblom's idea that a key element of business' power is its ability to manipulate volitions. Lukes' idea of the third face of power and our

focus on preconscious habitus are related to this view, but go beyond it, Lindblom was concerned with the way in which business could manipulate volitions, both through its dominance of the media and because of its, related, ability to get the interests of General Motors accepted as synonymous with the interests of America. In our view, the issue Lindblom, and of course Bell, avoid is the way in which theses interests are inscribed in the very fabric of life, in the habitus, in a way which largely defies reflexivity; an issue to which we turn next.

b) The Poverty of Agency

Here, we focus on Bell's overemphasis on reflexivity in his understanding of agency, which reflects his reliance on Archer, and two consequences which flow from this position: first, his failure to appreciate how reflexivity is 'structured'; and, second, his failure to acknowledge that agents have different capacities to utilise their situated agency.

For Archer, while structures constrain and facilitate agents, their understanding of these constraints/facilitators has a crucial effect on their actions, which raises the crucial question of reflexivity. In later work, Archer sees reflexivity, or 'the internal conversation', as a process in which agents: 'deliberate upon a precise course of action in view of their concerns and in light of the circumstances they confront' (Archer, 2003, 143).

Archer (2003) identifies five types of reflexive, an issue which need not concern us here; rather two points are important. First, she sees very few agents as 'near non-reflexive'; so reflexivity is ubiquitous. Second, for Archer, reflexivity both interprets, and leads to changes in, structure and culture, so reflexivity/agency is at the core of any explanation/understanding of change; in our view it is privileged.

It should already be clear that we have problems with this view. In our view, this approach overestimates the importance of reflexivity (see Mutch, 2003), perhaps because it is a more common feature of researchers' middle-class experiences. Certainly, it seems likely that reflexivity is a 'classed' phenomenon. So, for example, those with more access to cultural capital have more opportunity to construct reflexive selves (see Wood and Skeggs, 2004, 8). In contrast, others with less economic capital may be forced to be more reflexive about how they spend their limited resources, than someone with greater economic capital (see Woodman, 2011). The key point here is that there is little, or no, work on the socially-situated

nature of reflexivity, although surely we need to understand the differences in agent's capacities to reflect and to act upon these reflections and how those relate to his/her location in social space (Mutch: 2003, 1127); certainly this is a key point to anyone arguing that habitus plays a role in explaining the power of business.

Archer and Bell are not alone in equating agency with reflexivity (see, particularly, the key survey of the issue by Emirbayer and Mische,1998), but, it seems to us that this is misguided and, indeed, Lindblom's (1977) arguments, in part, show why that is so. Groups or individuals may have structural resources, they may reflect on these resources and whether and how they can use them, but their ability to use them effectively may depend on their skill in doing so. In Lindblom's terms business has resources, but may, or may not, use them well. Equally, for Lindblom, government will have resources, but they may, or may not, use them well (for an empirically based discussion of this point see Marsh, Lewis and Chesters, 2013).

In Conclusion

Our argument here is not so much an argument about the power of business, although we would both argue that it is a very powerful interest and much more than the first among equals (see Marsh, Lewis and Chesters, 2013). As such, we don't adopt, or accept. Lindblom's argument that business, while powerful, is always constrained by the power of other interests and by Government. We do however accept, as Bell in effect contends, that this is, in large part, an empirical problem. At the same time, we would argue that, before empirically examining the power of business, a series of conceptual, and related methodological, issues need to be addressed. Bell has certainly contributed significantly to the conceptual debates, but we have argued that his approach has significant weaknesses.

First, we contend that his treatment of the structure/agency problem, fails to acknowledge that structures can affect agents in ways of which they are unaware. In developing that argument, we discussed Lukes' third face of power, but expanded his position by utilising Bourdieu's concept of habitus. Second, we argue that his treatment of agency is inadequate because of his reliance on Archer, who privileges reflexivity.

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