Article

Politics & Society
2021, Vol. 49(1) 107–131

Article reuse guidelines:
sagepub.com/journals-permissions
DOI: 10.1177/0032329220985692
journals.sagepub.com/home/pas
SAGE

Brexit and British Business Elites: Business Power and Noisy Politics*

Magnus Feldmann and Glenn Morgan
University of Bristol

Abstract
This article analyzes business power in the context of noisy politics by comparing business involvement in two British referendum campaigns: one about membership in the European Communities in 1975, and the Brexit referendum about European Union membership in 2016. By exploring these two contexts, the article seeks to identify the conditions under which business elites can and cannot be effective in a context of noisy politics. Three key factors are identified as determinants of business influence during periods of noisy politics: the incentives to get directly involved in noisy politics; the legitimacy of business involvement; and, finally, the capacity to act in a cohesive way. The article shows that these factors have changed substantially over the last four decades because of wider changes in the nature of capitalism, and their impact on business power in the United Kingdom and more generally is discussed.

Keywords
business power, business elites, noisy politics, United Kingdom, Brexit

Corresponding Author:
Magnus Feldmann, Senior Lecturer in Politics, University of Bristol, 11 Priory Road, Clifton, Bristol BS8 1TU, UK.
Email: m.feldmann@bristol.ac.uk

*This is one of six articles that constitute a special issue titled “Quiet Politics and the Power of Business: New Perspectives in an Era of Noisy Politics.” Some of the articles in the issue were first presented at the SASE annual meeting at the Université Claude Bernard Lyon 1 in June 2017, organized by Glenn Morgan, Christoph Houman Ellersgaard, Stéphanie Ginalski, and Christian Lyhne Ibsen, and at a workshop at the University of Bristol funded by the School of Management and the Political Studies Association section on Labour Movements in June 2018, organized by Glenn Morgan, Christian Lyhne Ibsen, and Magnus Feldmann.

This article aims to contribute to the debate about business power under conditions of "noisy politics," when policy issues are highly salient and popularly contested. Culpepper's seminal study of "quiet politics" shows that business influence is generally at its greatest where it is exercised "quietly," behind the scenes in technical discussions between representatives of business and government.[1] Under such conditions, government is likely to bend to the requirements of the business elite, not least because many of the issues of interest to business are very technical and hence of low salience to the general public. By contrast, when the salience of an issue is high and the media and public take an active interest, business power tends to be lower. Business may be more cautious, avoid taking a stance, or hedge its bets, for example, by donating to all the significant political parties during electoral campaigns.[2] In the current age of populism, various aspects of economic policy and business influence are more actively contested by members of the public and NGOs, raising new challenges for business about how to act in noisy contexts.[3] Therefore, this article investigates whether, and in what circumstances, business can influence politics in high-salience, noisy democratic contexts.

In order to assess this issue, we compare two referendum campaigns, one on the United Kingdom's membership in the European Communities in 1975, the other on the United Kingdom's membership in the European Union in 2016.[4] These campaigns can be viewed as particularly good examples of noisy, high-salience politics, given the degree of public contestation surrounding them and the high turnout (particularly in the 2016 referendum, when turnout was 72.2 percent compared to 68.7 percent in the 2017 general election and 66.1 percent in the 2015 election; in 1975 turnout was 64.6 percent). Although the issue at hand was similar, the role of business differed across the two campaigns as, crucially, did the outcomes, allowing us to analyze the factors contributing to varying degrees of business influence.

We identify three factors that are critical to the exercise of business influence under conditions of noisy politics—the *incentives* for exercising influence, the *legitimacy* of such interventions, and the *capacity* to intervene in the first place. We argue, first, that business interventions under conditions of noisy politics are partly reactive and a response to specific challenges perceived by business. Given that business involvement under conditions of noisy politics requires considerable resources, the nature of the challenge shapes the stakes and the incentives as well as the degree of involvement in the issue. Business agency is more likely when there is a greater perceived urgency for it, most obviously where the labor movement and left-wing politics are challenging business and close to controlling the state in ways that would weaken business power, as in the United Kingdom in the 1970s. Second, business influence also depends on the legitimacy of the claims that business makes under conditions of noisy politics. If the electorate perceives such interventions as advancing sectional and narrow business interests and not as expressions of general concern about the health of the economy, then such intervention can backfire. It may undermine the broader legitimacy of business influence across a range of areas and not just that of the initial cause. Business may therefore fear the impact of a mistimed intervention and stay out of the controversy or intervene to a very limited extent. Third, we argue that the nature and organization of the business elite, particularly its organizational cohesiveness, is a key prerequisite of effective business influence. We show that the fragmentation of the British business elite since the 1970s has weakened its capacity to exercise influence in a cohesive and effective way. This suggests the need for more research on the ways in which changes in the nature of capitalism during recent decades have affected the coordinating capacity and power of business.

The article is structured in the following way. First, we review the literature on business elites, quiet politics, and power. This discussion opens up a range of questions about the conditions under which business power is effective and the conditions under which it can be defeated. Second, we discuss the research design and compare the activities of the British business elites in 1975 and 2016.[5] Third, we highlight the ways in which contextual factors, such as the mobilization of the labor movement and the perceived threat to business, shaped incentives for business mobilization and perceptions of the legitimacy of its intervention during the two referendum campaigns. In the following section, we analyze how the changing nature of British capitalism has affected the cohesiveness of business and its capacity to exercise influence under conditions of noisy politics. We show that these changes are associated with a fragmentation of British business that has weakened its capacity to act as a cohesive elite. In the final discussion and conclusion, we develop the implications of our analysis for understanding the interaction between business elites, structural power, and national political economies under conditions of noisy politics.

Business Elites and Business Power

The importance of business power has waxed and waned as a research topic in the social sciences, reaching its first peak of influence with C. Wright Mills's study of the power elite.[6] Accepting the critique advanced by many pluralists and empirical social scientists that some claims about power are hard to verify, political scientists have tended to focus on lobbying and the active exercise of influence by business, generally referred to as instrumental power.[7] Related research programs have examined the activities of individual firms and interest groups as well as collective action by broader classes of businesses in employers' associations.[8] In many cases united business elites, often led by dominant sectors, such as key export industries, exercise disproportionate influence on policymakers. Such lobbying activities are rarely matched in their extent or influence by labor or social movements, although cross-class coalitions in European coordinated market economies suggest that they may at times be complementary, as discussed in Peter Swenson's historical analysis of the emergence of collective wage bargaining in Sweden.[9] More recently, it has been shown that business influence can promote "winner-take-all politics" that benefits narrow business interests at the expense of other parts of society and may arguably undermine democratic representation, especially in the United States.[10] This research shows that various factors contribute to successful and effective articulations of business power, such as cohesive business interests and strong organizations articulating them, as well as lobbying and campaign contributions that shape elections and decision making. Instrumental power can also operate where there are expectations of revolving doors, linking policymaking in government and regulatory organizations to individuals moving in from influential positions in private sector organizations, thus contributing to a shared cognitive and normative framework as well as shared preferences and interests.[11]

Research on instrumental power often focuses on specific issues and competition between various groups (of which business is just one) in order to see who wins out. As a result, it was subject to the critique in the classic "three faces of power debate": power is not just about winning conflicts over particular decisions. Power is also about nondecisions, that is, the fact that certain issues are kept off the decision-making agenda. It was this latter development in particular that prompted the interest in structural power in the 1970s both from Marxist and non-Marxist researchers.[12] The main premise of that research was that the structural position of business in the economy vests considerable power in individual firms and also in the business sector as a whole, because it creates a structural dependence of the state on capital.[13] That is, the state cannot operate effectively unless business is doing well because it relies on business for tax revenues and employment, which are essential to the functioning of the state. Therefore, the state has to maintain the conditions that facilitate business. If governments ignore this fact, capital will strike, that is, not invest or invest elsewhere.[14] A capital strike will lead to economic downturn, and governments, fearing the electoral consequences, will be forced to backpedal to prevent the exit of capital. The rise of globalization from the 1980s created new opportunities for businesses to relocate their activities to other countries and contributed to their structural power, often in ways that enabled them to influence or resist government policy and regulation.[15]

Increasingly, however, research has highlighted that the ways and conditions in which structural power is effective need further investigation. While structural power sometimes operates automatically, it may also be evoked strategically by business elites as a prediction about the dire consequences to follow if a particular policy is pursued.[16] This cue may activate the very effects it is describing if the warning is believed in financial markets. The markets may then start to go down as investors and firms respond to negative news, pulling investment, selling off currency, raising interest rates, disposing of government bonds, and backing off buying new bonds.[17] Crisis conditions are created for economies to which politicians have to respond. In such cases the operation of structural power is not automatic; its strategic use requires actors to articulate these warnings and others to act on them. What this scenario suggests is that structural power in the abstract is not necessarily sufficient to explain business success in policymaking; it needs to be accompanied by an understanding of the context and the salience of the issue at stake.[18] This affects business incentives to enter into such debates. Are the issues at stake sufficiently crucial and clear cut to make it worth devoting resources and risking defeat, which would have consequences not just for the particular issue but for the legitimacy of business as an actor in noisy politics?

These processes are also shaped by the nature of the collective representation of business. Effective organizations for interest representation are generally seen to enhance instrumental power and to be a key prerequisite for achieving a common view among business actors, not least because business preferences and power often vary greatly across countries, sectors, and sometimes across firms within the same sector as well.[19] Thus the single "voice" of business may be drowned out by a cacophony of other voices undermining the ability of business to develop a framing that is strong enough to exert pressure on governments during times of noisy politics. However, as Cornelia Woll has pointed out, collective representation may not always be a necessary prerequisite for business influence; her research on bank bailouts shows that disorganization can enhance structural power, if it makes assigning clear responsibility and arranging negotiations harder.[20] It is not sufficient to analyze general business interests. Such research needs to be complemented with studies of individual sectors and firms, at particular moments and conjunctures, to show, first, the degree to which there are shared interests or firm and sector-specific interests and, second, how different states respond to complex configurations of firms and interests.[21]

A third strand of research addresses the "third face of power"[22] and the importance of what seems to be voluntary acquiescence to the preferences expressed by powerful actors. This notion is related to "ideational power," which may result in cognitive capture of the state or society at large by business elites. Ideational power can have multiple sources. Under conditions of quiet politics, such power is exercised when regulators rely on firms for expertise, information, and collaboration and such technical issues have low salience for the electorate.[23] More generally, the persuasiveness of business ideas is also affected by the legitimacy of business, including the notion that "what's good for Walmart, is good for America" and other framings highlighting the general benefits of business claims.[24] Bowman, Sukhdev, and Williams describe these as "trade narratives" that work by accumulating lists of benefits and, especially important, occluding costs.[25] The purpose is to preframe the discourses of the media and political classes about the contribution of a particular sector and, as a result, which policies are conceivable. Certain assumptions may not even be questioned because they are hegemonic or taken for granted. Although such dominant understandings tend to be quite robust, they may be disrupted at times of economic crises and under conditions of "noisy politics," when public interest is high.[26] When business is faced with an arena of competing, high-volume alternatives and a highly voluble and involved electorate, including voters challenging the legitimacy of these trade narratives, then such assumptions may be undermined, especially where the choice is embedded in a politically controversial contest like the Brexit referendum. In such circumstances, governments may find electoral imperatives drawing them away from supporting business and risking the consequences of structural power.

The crucial challenge for research on business power, therefore, is to explain the variations in its effectiveness and when business prevails or not. This article seeks to identify the specific factors that contribute to varying degrees of effectiveness under conditions of noisy politics, when business intervention is costly and its success is uncertain. We argue that it is necessary to consider three sets of factors to understand the exercise of business power under such conditions—the incentives for business involvement, its legitimacy, and business's capacity to engage in concerted action, which depends on the nature and organization of business.

Research Design: A Tale of Two Referenda

Our strategy for assessing business power under conditions of noisy politics and high salience is to focus on a paired comparison of two British referenda, on membership in the European Communities (in 1975) and the European Union (in 2016).[27] We draw on a range of primary and secondary sources to provide a detailed account of the role of business in the two referenda. Taking this approach allows us to control for several factors.[28] Not only did the referenda occur in the same country and pertain to the same issues, but both took place in conditions where the ruling party was deeply divided over the question of EC/EU membership.[29] These were also periods of noisy politics, with a wide range of groups actively debating and disagreeing over the direction the United Kingdom should take. In both cases, business's voice was linked to fears that if the decision went against it, there would be a potential exit of capital with a negative impact on the economy. There are also key differences that enable us to explore business influence on the two campaigns. As we show in this article, business was more united and active in making the case for membership of the European Communities in 1975 than it was in the 2016 campaign.

In 1975 the British business elite threw large amounts of money into the campaign to influence both their employees and the general public. The Yes campaign outspent No by a large amount in a significant assertion of instrumental power. Business was almost entirely united around the need for a Yes vote. In a survey for the *Times* in April 1975, 415 out of 419 chairmen of major companies said they wanted to stay in.[30] The degree of commitment to the Yes vote coming from all levels of business, from large, medium-size, and small firms in all sectors was massive, and the *Economist* reported that around 150 of the United Kingdom's top 200 companies were getting actively involved in the campaign.[31] Similarly, "the Institute of Directors told members that they had a 'clear duty' to 'be bold in expressing their views': 'the Boardroom must lead,'" which Robert Saunders describes as a "*levée en masse* by Britain's commercial sector of a kind never before seen at a national election."[32] At the instigation of the Confederation of British Industry (CBI), 800 companies appointed executives as "Mr. Europe" with the purpose of coordinating the pro-EC mobilization and communicating directly to their workforce, shareholders, and the public, and leaflets were distributed in workplaces and even in wage packets.[33] Barely a voice was raised by any business interest in favor of coming out of the European Communities in 1975. David Butler and Uwe Kitzinger state that

> the anti-Marketeers fell into two main camps—those like Douglas Jay or Barbara Castle who focused mainly on food prices, unemployment and other practical disadvantages of Community membership and those like Enoch Powell, Neil Marten and Michael Foot whose main concern was with national independence and parliamentary sovereignty.[34]

"The solidarity of the business community and the farmers' organizations," Saunders says of those in favor of the Yes vote, "was notable and the uniform results across the nation showed how little sectional appeals would probably have achieved had either side really sought to use them."[35] The result was that 67.2 percent had voted Yes and 32.8 percent had voted No on a turnout of 64.6 percent.

By contrast, in 2016, many large businesses based in the United Kingdom did support Remain, as did the main collective grouping of employers, the CBI. In the financial sector, the Bank of England, the City of London Corporation, and the British Bankers Association all supported the Remain campaign. However, business was not as united or as active as it had been in 1975; rather, "business was divided over the merits of Brexit."[36] A survey published by the Institute of Directors in the run-up to the referendum estimated that its membership was divided, with two-thirds supporting remaining in the European Union and one-third favoring Brexit, but with levels of support for Remain within the CBI and the Engineering Employers' Federation (EEF) estimated to be higher.[37] Such divisions were reflected in the 2016 campaign, which unlike 1975 resulted in the vote in favor of Brexit by a margin of 52 to 48 percent with a high turnout of 72.2 percent.

Downing Street aimed to launch the referendum with a letter signed by big business leaders in favor of remain. Only one-third of FTSE 100 companies signed the letter, and many large companies, such as Barclays, RBS, Sainsburys, and Tesco, stayed noticeably silent. Another business organization, the British Chambers of Commerce (BCC), which represented small businesses, explicitly refused to endorse either side, although its director general spoke in favor of Brexit, which led to his being forced to resign. In the City of London, there were also dissenting voices from the widespread pro-Remain sentiment.[38] In the period leading up to the referendum, there had been increasing conflict between the City and the European Union. Scott James and Lucia Quaglia note that "the City itself is deeply divided on the Brexit issue, constraining industry's capacity to organize collectively to influence policymakers."[39] Scott Lavery's study of how the CBI and other employers' organizations interacted with EU regulatory policy in the sphere of social and employment policy also sheds light on these tensions.[40] Drawing from responses to a survey conducted by the government in 2014 of British business views on these policies, Lavery notes that very few EU social and employment policies were viewed positively by the British business groups; certain directives, especially the Working Time Directive and the Agency Worker Directive, were seen as having a negative impact on business, creating large "compliance costs." The remainder of the article seeks to account for the striking contrast between active business mobilization in 1975 and the more ambiguous, even passive, stance in 2016.

Incentives for Business Mobilization and the Legitimacy of Intervention

Despite some important similarities between the 1970s and 2010s, notably in terms of the general sense of crisis, there are also important contextual differences that shape business influence. This section analyzes the incentives for mobilizing and exercising business power and the legitimacy of business intervention across the two campaigns, as well as the impact of these factors.

In the UK context, the 1970s mark a transition period from the Keynesian era of relative prosperity and full employment of the late 1950s and 1960s to the Thatcher years of neoliberalism. The 1970s were characterized by a series of crises in the British economy culminating in IMF "rescue" and the "Winter of Discontent." Commentators asked, "Is Britain governable?" and "Why is Britain becoming harder to govern?"[41] The roots of the crisis were widely identified with the growing power of trade unions and in particular local shop stewards, who increasingly challenged management over shop-floor practices, the organization of the working day, and the rewards of piecework and payment-by-results wage systems. In the late 1960s and early 1970s, both Labour and Conservative governments sought to constrain trade union rights by the introduction of legislation and, when that failed, to develop prices and income policies that would induce wage restraint in return for price controls on key commodities. Efforts to form these moves into a full-fledged corporatist bargaining system failed because peak associations such as the TUC and the CBI were unable to control their members.[42]

Marxist-inspired economists framed the crisis in terms of "British workers and the profits squeeze," arguing that the growing power of trade unions was eating into the profits of British capitalism and leading to a "strike of capital" and a reduction in investment in the United Kingdom.[43] Other authors blamed the crisis on the amateurism of British managers and their inability to manage the workforce properly. Such concerns were seen to contribute to Britain's lack of competitive producers and the relative decline of the British economy, especially compared to more rapidly growing European economies.[44] These factors, combined with increasing competition in home and overseas markets by German and Japanese manufacturers, dramatically worsened the United Kingdom's balance of payments position, leading to the need for IMF support in 1976 and, in return for that support, the beginning of significant cuts in welfare and other state spending. The cuts contributed in turn to a series of public sector pay disputes, culminating in the 1978–79 Winter of Discontent, and Thatcher's first election victory in 1979, followed by eighteen continuous years of Conservative government.

However, on the left, there was a ferment of energy associated with what was termed the Alternative Economic Strategy (AES). The ferment built on both the failure of a number of key firms (such as British Leyland and Upper Clyde Shipbuilders) in the early 1970s and scandals associated with incompetent and in some cases corrupt managers and financiers at the time. The 1972 "Labour's programme for Britain" largely reflected the ideas of the left wingers within the party, including a number of proposals that many businesses perceived as hostile to their interests, such as expanded public ownership and a greater emphasis on economic planning.[45] The subsequent Labour government set up the National Enterprise Board (NEB), in which it placed ailing companies and sought to revive them under state ownership. The prominent left winger Tony Benn served as secretary of state for industry for fifteen months in 1974–75. With trade union power still strong and growing state ownership via the NEB, as well as the development of mechanisms for the control of prices and incomes, an alternative economic strategy emerged that was based on increasing state involvement in the economy (with some elements of worker democracy), backed by strongly protectionist policies that would prevent foreign competition undermining home industry. Although some elements never became official Labour Party policy and actual government initiatives in 1974–75 were perceived as less radical than previous policy proposals during the years in opposition, the strength of the left-wing approach within the Labour Party and the trade unions represented a major challenge to British business.

The 1975 referendum was an important moment in these processes, and the governing Labour Party was divided. The left of the Labour Party led by Tony Benn opposed continued membership of the European Communities, a position supported at a special conference of the Labour Party in April 1975 where the votes split around 65 to 35 percent in both the constituency and the trade union sections of the party's electoral college. Prime Minister Harold Wilson, supported by most of his cabinet, refused to commit himself to the No vote although he did allow ministers to support the No campaign. The small number of ministers (most prominent of whom was Benn) that did so were mostly those associated in some way with developing the AES.[46] Winning a No vote would pull the United Kingdom out of the European Communities and allow the AES to be implemented and with it a fundamental shift in power from business toward the labor movement.

Business elites highlighted the interaction of the EC membership question with these broader economic and social policy issues. Failure to act collectively to defeat the No campaign was seen to be potentially disastrous, not just in the short term but also for what sort of society the United Kingdom was going to become. By staying in the European Communities, business would have access to new markets and be able to protect itself from left-wing policies of "socialism in one country," as the AES became known. Some industrialists talked about how British firms and British management would have to modernize in the light of the increased competition likely to be experienced as the European Communities developed. Such modernization would also be facilitated by EC membership and easier access to learning about new management techniques from abroad. More important, business elites were able to carry this strategy through their usual political channels of the Conservative Party. There were few dissenters from the party's commitment to the Yes campaign, despite some remaining nostalgia for Empire and Commonwealth centered on Enoch Powell. It was the Tories after all who had taken the United Kingdom into the European Communities in 1973, so even the newly elected leader of the party and future arch-Eurosceptic, Margaret Thatcher, campaigned enthusiastically for the Yes vote. The No campaign was thus made to look like a confused alliance of the extreme right and the extreme left, while the Yes campaign occupied a broad middle ground.

These events were part of a wider battle for the maintenance of a capitalist order in the United Kingdom, which, commentators argued, might be becoming "ungovernable" because of the conflicts between capital and labor that became worse when the Heath Tory government was formed in 1970. There were miners' strikes in 1972 and 1974. The latter led to the Conservative government's decision first to switch to a three-day week to preserve coal stocks and then to call a general election on the theme of “who governs?,” which it promptly lost, followed by five years of Labour government. The theme of economic decline grew louder, instanced by the chaotic strategic planning and dire industrial relations at the British Leyland car manufacturer and closures in shipbuilding, which led to the upsurge of trade union militancy and the sit-in at the Upper Clyde Shipbuilders in 1971.[47] It was a time of noisy politics, when relations between employers, trade unions, and the state were highly conflictual and salient to the broader electorate.

Victory in the referendum was seen as important for rebuilding the power of the business elites and undermining trade union and left alternatives. It depended on a unified business elite, committed to EC membership, exerting both structural and instrumental power. It also benefited from the legitimacy of the key arguments, which were based on a discursive framework around the European Communities as a pathway to modernization, economic growth, and a new industrial order. Noisy as the debate was, business was still able to achieve its goals, thanks in part to its effective mobilization of both small and large companies, but also because the business account of the crisis and of the need for modernization resonated with much of the British media and the general public.

The context in 2016 was similar in some ways and different in others. A crucial similarity was that the referendum took place in a context of crisis, and the governing party (in this case the Conservative Party rather than Labour) was split on the issue. Although Prime Minister David Cameron supported remaining in the European Union, many prominent Conservatives were, like Boris Johnson and Michael Gove, leading figures in the Leave campaign. However, a key difference was that capitalism itself was not being challenged by a powerful alternative. First, unlike 1975, there was an ostensibly pro-business Conservative government in office. Second, by 2016 the trade union movement in the United Kingdom was a considerably reduced power, so there was a much weaker challenge to business from the left.[48] The Labour Party leadership under Tony Blair and Gordon Brown (and in opposition, under Ed Miliband) had increasingly accommodated itself to a broadly neoliberal agenda of markets, financialization, a workfare-oriented welfare state, and privatization, while making various efforts to improve public infrastructure and to address the most extreme levels of poverty and challenges of youth and long-term unemployment.[49] The idea of a left-wing economic strategy that departed from this framework, spearheaded by a Labour Party supported by a revived trade union movement, was totally lacking until the surprise election of Jeremy Corbyn as Labour leader in September 2015, just nine months before the referendum. For many decades British business elites had not faced any existential threat to their collective existence.

As to the legitimacy of business intervention, the crisis in 2016 was articulated very differently. Its roots lay in the response to the 2008 global financial crisis and the fact that much of the policymaking establishment had offered little to address the growing disillusion among many voters, derived from years of austerity, declining public services, stagnating wages, and widening inequality both between individuals and also between and within regions. The generalized dissatisfaction was stoked in part by declining trust in politicians and elites following the expenses and the phone-hacking scandals, both of which discredited politicians and their advisers, the police, and parts of the media.[50] This crisis was articulated and most powerfully made visible not through a critique of capitalism but by linking it to the role of the European Union, which was portrayed as a key element of the status quo. Many Conservative and UKIP politicians supported by mass-circulation newspapers framed the problems as the result of "unlimited EU immigration," a "lack of border controls," and an unelected EU Commission costing British taxpayers huge sums of money and enforcing inappropriate regulations that damaged British industry and undermined its competitiveness. All of this was enveloped within a sense of grievance against the European Union, articulated in stories in the mass media about regulations supposedly banning "bendy bananas" and prawn cocktail crisps and—in grander language smacking of deep historical nostalgia—depriving the United Kingdom of its sovereignty and turning it into a "vassal" of Brussels.[51]

Business faced a dilemma over how to engage with this debate. On the one hand, it was not a context in which the basics of business or private ownership were being threatened as they had been in the mid-1970s. On the other hand, the UK economy was deeply enmeshed with the European Union in many ways, and separation would have multiple problematic consequences. The ambivalence reflected a growing recognition in some parts of the financial markets that EU regulation and efforts to build stronger integrative mechanisms within the Eurozone and the European Central Bank were going to have real effects on the way the City conducted business, effects that could weaken the City's s preeminence as a global financial center and the center of key EU financial markets.[52]

British business was therefore far from united in its efforts to support Remain in the referendum. Tensions had been growing over the last decade across a number of spheres between the direction of the European Union and the preferences of British businesses in relation to liberalizing markets and opposing regulation.[53] No doubt these tensions were exacerbated by other factors, such as the continual anti-EU tone of much of the UK media and the increasing Euroscepticism within the Conservative party, which fed on this and more drastically the rise of UKIP as an electoral force for the expression of anti-EU feeling.[54] The combination of issues of regulation and bureaucracy; media stories of corruption, red tape, and "gold plating"; and the growing use of immigration to exemplify problems created by EU membership created a wider Brexit discourse that affected a whole range of businesses, whether they were connected to EU markets and supply chains or not.

The highly politicized debate about EU membership, which rapidly became extremely noisy once the referendum was called, raised the stakes of business intervention, as firms worried that supporting the Remain campaign risked alienating pro-Brexit customers and employees. The danger to business grew as the campaign developed and became increasingly polarized within a populist framing of "the people versus the establishment" that claimed the establishment had benefited from the years of austerity while the people had been "neglected." The more business backed what was seen as the establishment position, the more it would find itself on one side of a highly polarized and vicious debate, accused of trying to scare the public into supporting Remain by continually presenting what were described as "doomsday scenarios" for the United Kingdom post-Brexit. Project Fear, as it became known, was increasingly rubbished as an establishment conspiracy. As Michael Gove, campaigning for Brexit, explained, "People in this country have had enough of experts."[55]

The result was that in contrast to 1975, many individual businesses were cautious about taking on too high a profile in the Remain camp. Even big car producers who were very concerned about Brexit, such as Nissan in Sunderland, chose not to take a strong public position when invited to do so.[56] Some businesses felt that the Remain side was going to win anyway, given some of the early opinion polls, so they did not need to risk anything themselves. Practically all businesses conducted themselves much more cautiously than they had done in 1975, contenting themselves, if they went public, with signing letters, making press statements, and issuing reports. There were no reports of employers' trying to influence their employees directly to vote for Remain by calling them to meetings or leafleting them at their place of work. Many employers preferred to remain relatively "invisible," if not indifferent, while others were increasingly hostile. Business was less willing to go public in such a context; pro-EU business sentiment was increasingly derided as special pleading on behalf of its own establishment interests. Business found that substantial parts of the electorate and many politicians no longer listened to its views with the respect it had previously enjoyed. It had lost its legitimacy as a neutral voice articulating a "common sense" hegemonic view of what the economy needed.

Structural Changes and British Business Elites

In this section, we study the coordinating capacity of the business elite by analyzing key structural changes in the British political economy that contributed to the differences between the two referendum campaigns by shaping the mobilizational capacity of business elites. As a liberal market economy, the United Kingdom has long been characterized by a relatively weak coordinating capacity among both workers and employers, thereby stifling policy reforms relying on coordination, such as the National Economic Development Council in the 1960s.[57] However, our argument is that a variety of structural changes further weakened the coordinating capacity of business and created a context in which strong business influence on referendum outcomes was less likely in 2016 than in 1975. We present our analysis of changes in ownership and control of British businesses and in their supply chains and show that these developments have reshaped the nature of the British business elite, making it less cohesive and affecting its capability to exercise power in a collective fashion. Our argument also relates to a broader transformation of collective action by business, including changes to employer associations, which have fewer members and increasingly engage with new issues and civil society organizations rather than traditional collective bargaining.[58]

In 1975, the British economy was predominantly organized around British-owned firms. Although foreign direct investment (FDI) into the United Kingdom had been increasing slowly, it was mainly confined to car manufacturing with UK-based subsidiaries of Ford, General Motors, and Chrysler, dating in some cases from much earlier in the century. Manufacturing was still the predominant UK employer, with large establishments in car, lorry, and bus production; light and heavy engineering; defense and aerospace; iron and steel works; petroleum refining; and textiles. Large supermarkets were only just beginning to make an impression on High Street, and out-of-town megastores were still in the future, so Napoleon's dismissive remark that Britain was "a nation of shopkeepers" retained some truth. Miners and dockers were still employed in the thousands. White-collar work had been expanding through the 1960s in insurance and retail banking, which were dominated by UK-based and UK-owned financial institutions.

The City of London was by the 1970s engaged in international markets for foreign exchange, insurance, and bond issuance but was predominantly British in ownership. The large clearing banks were all British-owned and expected to remain that way. What were known as merchant banks had a predominantly partnership structure, thus limiting the scale of risk they took on, and were also British-owned. They engaged mainly in organizing mergers and acquisitions activity and takeovers, on the one hand, and on the other hand bringing together funds to buy bonds to fund such activities as well as new investments. Usually these activities were carried out between British companies and drew on potential investors based in the United Kingdom. The London Stock Exchange was a cartel of small UK-based partnership firms divided into the specific functions of jobbers (sellers of shares) and brokers (buying from and selling to jobbers on behalf of clients). In 1975, institutional investment was predominantly the business of insurance companies and pension funds, which were generally cautious in their policies and not activist. Individual investment also remained a significant part of ownership structures, but this group too was generally passive, holding on to shares for relatively long periods.[59] Managers of large companies had considerable autonomy in how they developed their businesses, which led in some cases to limited investment in technology, poor industrial relations, and a general lack of modern management techniques.[60]

At the top end (chief executives and senior partners, the leaders of the civil service, the Bank of England) was a relatively homogeneous, male, white, business elite, as reflected in the number of interlocking directorships between the banks and the largest companies and in the shared social and cultural capital they developed through socialization in the public schools, Oxbridge, and the annual London season of events attended by "the great and the good," as well as informal circles in institutions such as the Gentlemen's Clubs of Pall Mall and St. James's.[61] As a result, the business elite was relatively cohesive and characterized by extensive social ties.

By contrast, the structure of the British economy in terms of ownership had considerably changed by 2016, which affected the homogeneity and "clubability" of the British business elites. The transformation has been described in detail in many sources, so here we summarize the key points and their implications for the business elites.[62] One of the most important changes is the rise of the City of London to predominance within the wider economy and the spread of financialization and shareholder-value-driven ideology through the United Kingdom. The City is now composed of the subsidiaries of many international financial institutions, predominantly from the United States and Europe. For several decades, this change has been described as the "Wimbledonization" of the City—that is, a game played in the United Kingdom but in which all the main players and winners are from other countries. Financial institutions are the main intermediaries and owners operating in the financial markets, where they push firms to become ever-more driven by shareholder value. Rewards in these markets and in shareholder-value-driven firms have increased dramatically at the upper levels of management, leading to an ever-widening pay gulf within organizations.[63]

Under the impact of the withdrawal of capital controls in the 1980s, FDI into the United Kingdom grew enormously, particularly as many companies from Japan, the United States, India, and others outside the European Union saw the relatively deregulated United Kingdom as the best place to establish a bridgehead for their products behind EU tariff walls. The United Kingdom was also relatively open to hostile takeovers from foreign firms, which over the years has led to the loss of ownership to overseas companies. Takeovers often led to more global restructuring and consolidation of manufacturing and R&D activities. As a result, jobs and research centers were lost from the United Kingdom. By 2016 most of its shrunken manufacturing base was owned by foreign MNCs, often expressly with the purpose of accessing the European Union. Only a small proportion around food processing and aerospace and defense remained British-owned, although in the latter case the need for large investments led to strong connectedness with both the United States and some EU companies (most obviously Airbus). Manufacturing MNCs were increasingly international in their organization of production, utilizing a multiplicity of subcontractors in the development, production, and distribution of the final products. Many of the subcontracting and supply chains were European, but many were based on the expansion and opening up of trade with China and other East and Southeast Asian economies.

The expanded services sector beyond finance was partly a consequence of the state's withdrawal from activities that were now to be subcontracted to the private sector, a shift that helped create and sustain large management consulting firms and other more specialist providers of outsourced services in social care, prisons, hospitals, and infrastructure management.[64] A number of these became global providers of such services. A small number of large supermarkets began to dominate groceries both in consumer markets and in supply chains. They remained largely UK-based and owned, apart from Asda (owned by the US company Walmart) and recent entrants such as Aldi and Lidl from EU countries.

The result of these changes was a fragmentation of social background, cultural homogeneity, and shared interests.[65] More leaders of big businesses based in the United Kingdom were from overseas and were less likely to be embedded within the social networks of the old elites. UK business leaders themselves were increasingly drawn from outside the elite networks that dominated the earlier period. What concerned them all was the fate of their own companies and their own rewards in the context of the dominant shareholder-value orientation pressed on them by the financial markets and their owners.[66] In that respect, Brexit was an issue insofar as it affected their business strategies. The exact nature of the effect was difficult for many companies to predict in detail, but for some it was obvious. Foreign non-EU MNCs that had manufacturing facilities in the United Kingdom precisely to enable them to sell in the European Union—Japanese and Indian car manufacturers, for example—were opposed to Brexit. Mostly these were also MNCs with complex supply chains that crisscrossed national borders within the European Union and for whom the ease of movement of goods, services, and people within the European Union (and the diversity of high-skilled and low-skilled workforces in regions with different cost structures) offered great opportunities to minimize costs and maximize market access. UK-originated MNCs, such as aerospace companies and their highly intricate supply chains linked into Airbus, as well as larger engineering manufacturers were also threatened by the disruption to supply chains, innovation networks, and markets implied by Brexit. Logistics and distribution companies including East Coast ports that carried this trade within and across EU countries saw clear threats to their business, as did passenger and freight airlines (and the regional airports that supported them throughout the United Kingdom), which depended on maintaining their freedom to fly around the EU space as a privilege of EU membership. Banks and other professional services (such as management consultancy, lawyers, accountants, and architects) that were able to sell across the European Union without restriction and therefore depended on the European market were strong Remain supporters. Brexit would be likely to change single passporting arrangements whereby recognition in one EU country was sufficient, in principle, to allow practice in any other country subject to local conditions (which were supposedly becoming more convergent). The fact that many of the banks based in London were actually incorporated inside other EU countries, however, meant that they would not be locked outside the European Union; they would just find themselves more tightly regulated in some of their more complex financial products than they had been. Also, any restrictions on freedom of movement could affect their strategy to draw from global talent pools and deploy people flexibly according to their expertise and with little regard for nationality.[67] Creative and IT industries also put a high premium on freedom of movement around the European Union even though many of their products were designed for global markets (particularly expanding US and Asian markets when it came to computer apps and games) and did not depend on the European Union (where marked differences of cultural tradition and more interventionist regulatory regimes in music, media, and film remained). The personal care sector and health services were also highly dependent on freedom of movement for their workforce, as were many agricultural sectors where seasonal demands for workers were increasingly met by employees from East and Central European EU members. All of these sectors and others had developed corporate strategies that were in various ways crucially dependent on existing EU membership. In this they were often the same companies that had benefited most from EU membership.

But there were other companies that were more distant and cautious. The large supermarket chains and other British retailers, for example, had never successfully implanted themselves in the European Union, and a number of such efforts have forced them into expensive and ignominious withdrawals from all but a few flagship stores in major European cities. Dependence on supply chain linkages into the European Union was high in some sectors of food and drink but much less so in others, including food, toys, clothes, and electronics, as cheaper imports from China and other Asian economies were available. Many of their supply chains related to relatively simple products, and they could and often did switch source locations quickly to meet price changes and other market conditions. This contrasted with the much more complex and interdependent supply chains of the advanced manufacturing sector. As mentioned, supermarkets and retailers were relatively quiet in the Brexit referendum, although there were some who supported Brexit directly, such as Lord Harris, a long-standing Conservative supporter and founder of the large retailer Carpetright, and Tim Martin, founder of the retail pub chain Wetherspoons, neither of whom had much dependence on EU markets or supply chains.

Some manufacturers claimed that the EU market with its regulations was not worth the trouble and that they had found much more open and faster-growing markets outside the European Union—the influential entrepreneur and self-publicist James Dyson was the most significant manufacturer to make this claim (having moved his production to Malaysia some years earlier while keeping design and innovation in the United Kingdom).[68] Another example was the chairman of JCB, Lord Bamford, who said in a *Daily Mail* article that the British-made content of JCB diggers—assembled in the United Kingdom—had dropped to 36 percent in 2010 from 90 percent in 1979.[69] Supply chains and assembly in manufacturing as well as some IT services were increasingly provided by China, India, and other Asian economies, which in turn were becoming more important and faster-growing consumer markets than in the past. They were also rapidly modernizing their logistics and distribution systems to facilitate exports (e.g., China's Belt and Road initiative), enabling them to compete with East and Central European locations. Developments in Asia coupled with the continued draw of US consumer markets did offer an attraction to some manufacturers, although few were willing to go so far as Dyson in turning their backs on the European Union.

Another interesting example of a pro-Brexit business is the Bristol Ports Company, the large container and ports docks at Avonmouth near Bristol, which according to its website handles 27 percent of all UK aviation fuel imports, six million tons of dry bulk goods, 25 percent of all animal feed, 750,000 motor vehicle imports, and 10 percent of UK coal imports for electricity generation and contributes to around 10,000 jobs in its immediate area. One of its owners, Terry Mordaunt, was the thirteenth-largest donor to Vote Leave and gave £50k to the Brexit campaign.[70] Avonmouth on the West Coast of England was mainly an entrepôt for US and Japanese cars as well as oil and gas from the Arab Gulf. Its self-interest lay in expanding those linkages, unlike container ports on the East Coast, such as Felixstowe and Tilbury, that drew trade from the European Union. Inside the City of London and in financial services outside London (such as those run by the two biggest donors to Brexit, Arron Banks and Peter Hargreaves of Bristol-based Hargreaves Lansdown), there were a number of prominent Brexiteers concerned about increasing EU regulation related to Eurozone consolidation and its potential effects on financial services.

Finally, it is clear that there were substantial economic interests in the UK media that were anti-EU. Unlike the 1975 referendum, when most newspapers were in favor of EC membership (even tabloids that would later be strongly against the European Union), a recent study from the Reuters Institute at Oxford University found that "of the articles focused on the referendum 41 percent were pro-Leave as against 27 percent pro-Remain, marking a dominant pro-Brexit bias" in 2016.[71] Most discussion suggests that the ideological orientation of the owners was key, but from our point of view another contributing factor is the business strategy of the firms that run these newspapers. The Murdoch empire had been entangled in EU regulatory disputes for some time about the market share of its various media groups, particularly broadcasting, and the impact of this on competition and the nature of news. Murdoch media had taken an increasingly aggressive anti-EU stance for decades. Other newspapers such as the *Daily Mail* (owned by the Rothermere family) and the *Daily Telegraph* (owned by the Barclay brothers) were also resolutely anti-EU. From the point of view of the business strategy of these newspaper companies, consolidation across national boundaries has been limited. Only the Murdoch empire has really achieved it, and it has been across relatively open Anglophone liberal market economies—Australia, the United Kingdom, and the United States. Most European countries over the last century have retained a core of national newspapers that are locally owned. Papers like the *Daily Mail* and the *Telegraph* have no interest in an EU market for themselves and can afford to promote Brexit without worrying about the economic consequences for their own business.

To conclude, the British business elite had become more fractured in social and economic terms, along several dimensions. First, social ties among firms and managers have weakened as a result of internationalization and changes to the corporate elite, thereby weakening the coordinating capacity of firms. Fragmentation is also reflected in the changes in collective representation by employers' associations.[72] Second, as companies increasingly focused on their own direct interests, it is important to note that these interests were more diverse than in the 1970s, reflecting changes in the sectoral composition of the British economy and the more limited dependence on EU markets exhibited by some key firms. There was no united business sector that could collaborate with unions to promote support for the European Union, as there was in countries like Denmark, for example, which established the pro-EU think tank Europa. Third, these trends also relate to Davis's recent argument about "irresponsible elites," who are mostly focused on maximizing short-term gains related to shareholder value.[73] In retrospect, having seen what happened in the chaotic negotiations about Brexit since the referendum, some companies have come to regret their relative insouciance in the lead-up to June 2016. But this fragmentation is important to understanding why such a weak case was made for Remain compared to the 1975 referendum, when business influence was highly visible.

Discussion and Conclusion

This article has compared the role business played in the two referenda on the United Kingdom's membership in the European Communities and the European Union as case studies of business influence under conditions of noisy politics. The comparison suggests that business power is variable over time, even in the context of the same issue (a referendum on EC/EU membership), the same general level of "noisiness," and the same country.

In the early 1970s, political opposition to big business was strong and threatened the profitability of businesses. By the mid-1970s, capital was responding by shrinking its investment in the United Kingdom, selling off sterling, and pushing up prices of goods, which led to increasing inflation and rising interest rates. These developments in turn led to crises, such as the IMF rescue, which reflected the split in the Labour Party between those willing to risk the future on the Alternative Economic Strategy and those who saw no alternative but to buckle to this pressure. The 1975 referendum was an important moment in the process, showing how united business was in organizing a campaign to stay in the European Communities, which they saw as essential to defeating the left-wing AES policy. In 2016, business did not perceive a crisis that threatened their very existence; they thus did not feel a strong incentive to work together and campaign collectively for staying in the European Union. Rather, they were divided about the merits of staying: some businesses advocated Brexit while others were at best lukewarm, in part because of EU regulatory activity and in part because of the degree of hostility to the European Union and to Project Fear among the media and the electorate.

We have also stressed the ways in which contextual factors, notably common understandings of the crises in conjunction with the two referendum campaigns, impinged on the legitimacy of business claims and thereby also on their ability to exercise ideational power. Unlike in 1975, business's efforts to present its position in "trade narrative" terms—that is, that business had the best interests of UK society at heart and presented a neutral, expert-based view of the consequences of Brexit—were delegitimated by a continuous campaign of noisy politics that challenged the notion of experts and the idea of an establishment consensus that had to be accepted. Instead, business was portrayed as a special interest group that had benefited by its ability to bend politicians to its will against the "people." The Brexit argument was that the "establishment" and the business elites were using all their (instrumental) power in terms of lobbying, media domination, and framing to press the case for continued membership so that they could sustain their privileged position. To advocate Remain was to risk becoming the personalized target of social media and newspaper campaigns designed to delegitimate this position. Brexit campaigners portrayed themselves as supporters of democracy and "the will of the people" rather than the special interests of business. The more business elites pressed their case using experts and Project Fear, the more Brexiteers engaged in criticism of the individuals and organizations propounding those views.

We have also related the analysis to the ways business elites have changed in form over the last forty years, reflecting and contributing to the changes in the UK political economy. By 2016, businesses were driven by narrow shareholder considerations, which focused the attention of their senior leaders on maximizing returns by taking advantage of opportunities facilitated by globalization (and Europeanization), financialization, and a weak trade union movement. These trends had fragmented the interests of the business elites by creating a far more complex industrial and services structure in 2016 than in 1975. The leaders of these firms were also more fragmented and had limited networks into other firms or into the collective associations of business, except where those could serve their own personal ambitions. In 2016, they were not just unable to put together a case for Remain that went beyond simply promoting their own interests; in many cases, they were not even aware that a case was necessary: hence the shock of some of them at the result. Our analysis has integrated an understanding of the changing nature of the UK political economy with an understanding of how the business elite itself was changing.

This analysis also has several broader implications for the comparative study of business power. It shows that it is not noisy politics per se that undermines business influence. Under certain conditions, business can still win out in noisy politics, but a variety of factors complicate the exercise of business influence in such circumstances, and the structural power of business is not in itself sufficient to ensure that business interests win out. On the basis of our analysis of the British case, we argue that effective business power in such circumstances depends on three sets of factors.

First, the active exercise of business power is costly and reflects the challenges perceived by business. The greater the perceived threat, the more likely it is that business will invest the necessary resources needed to influence noisy politics, which echoes the insights from earlier scholarship on business mobilization but has received less attention in recent work on business power.[74] In other words, it is not sufficient to consider business preferences and interests in the abstract. The goals of business action may relate to the exercise of countervailing power, pushing back against threats from governments or other social actors. This fact is evident in the business mobilization for EC membership in 1975, and there are also some parallels to business resistance in Sweden against wage earner funds in the 1970s and early 1980s.[75] Given that business intervention in noisy politics is costly, such intervention is very unlikely, unless there are clear incentives to get involved.

Second, the analysis has also highlighted the importance of legitimacy as a factor shaping business influence. In 1975 business appeals about the urgency of modernization were perceived as legitimate, as they dovetailed with dominant understandings of the crisis. By contrast, in 2016 business claims were more commonly viewed as self-serving and as an element of Project Fear. While not a strict prerequisite for business mobilization as such, the perceived legitimacy of key business claims is likely to contribute to both the degree and success of business involvement.

Third, we argue that the structure and organization of business is an essential determinant of the mobilizational capacity of the business sector as a whole; strong incentives by themselves are unlikely to be sufficient to ensure successful mobilization. In much the same way that the varieties of capitalism literature has shown that business preferences and activities vary across different institutional settings,[76] we have argued that the structure of the political economy shapes the ability of the business sector to exercise power in a cohesive fashion. While the transformation of the British economy has not necessarily undermined the capacity of individual firms to exercise power and influence, the fragmentation of the business elite over the last forty years of globalization and financialization has made it harder for business as a whole to find common ground and to act with a common purpose. This fragmentation impinged on the capacity of the business sector to act cohesively in the Brexit campaign.

Similar factors may have constrained the exercise of business power in other countries as well. First, although the fragmentation of the business elite has gone furthest in liberal market economies such as the United Kingdom and the United States, processes of financialization and structural change are likely to have weakened business's collective power elsewhere as well, to the extent that a cohesive business elite is a necessary prerequisite for the exercise of power. Second, the lack of existential threat to business as a collectivity in the neoliberal age has reinforced this fragmentation. To the extent that business takes the core tenets of liberal capitalism for granted, it is less likely to invest the time and resources needed to engage with policymaking, especially if coordination with other businesses is difficult and there is a temptation to act opportunistically. However, the danger of this approach is that it blindsides business elites when they face populist challenges related to rising inequality and other tensions associated with the neoliberal era. Similarly, populist politics also facilitates the questioning of the legitimacy of the business voice, particularly where it can be contrasted to the "will of the people," and this in turn weakens the ability of business under conditions of noisy politics to project its own ideational power and goals as in the common interest.

Therefore, we suggest that future work on business power explore whether the three factors identified in this article are generalizable and explain the exercise of business power under conditions of noisy politics elsewhere. Given the increasing politicization of economic policy in the current era of populism, a better understanding of the role of business influence under conditions of noisy politics is very important.

Acknowledgments

The authors would like to thank the participants of a workshop at the University of Bristol in June 2018 and especially Mark Wickham-Jones and Mike Reed for their advice. The usual disclaimer applies.

Declaration of Conflicting Interests

The authors declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The authors received no financial support for the research, authorship, and/or publication of this article.

Notes

1. Pepper D. Culpepper, *Quiet Politics and Business Power: Corporate Control in Europe and Japan* (Cambridge: Cambridge University Press, 2011).

2. Jason Cohen, "The Same Side of Two Coins: The Peculiar Phenomenon of Bet-Hedging in Campaign Finance," *Northern Illinois University Law Review* 26, no. 2 (2006): 271–330.
3. Culpepper, *Quiet Politics and Business Power*; Andrew Baker and Duncan Wigan, "Constructing and Contesting City of London Power: NGOs and the Emergence of Noisier Financial Politics," *Economy & Society* 46, no. 2 (2017): 185–210.
4. In 1993, following the Maastricht Treaty, the European Community changed its name to the European Union.
5. We focus on the period leading up to the referendum, and we do not analyze the postreferendum efforts of business elites to respond to the new context.
6. C. Wright Mills, *The Power Elite* (Oxford: Oxford University Press, 1956).
7. Robert Dahl, "The Concept of Power," *Behavioral Science* 2, no. 3 (1957): 201–15; Ralph Miliband, *The State in Capitalist Society* (New York: Basic Books, 1969).
8. Lee Drutman, *The Business of America Is Lobbying* (Oxford: Oxford University Press, 2015).
9. Peter Swenson, "Bringing Capital Back In, or Social Democracy Reconsidered: Employer Power, Cross-Class Alliances, and Centralization of Industrial Relations in Denmark and Sweden," *World Politics* 43, no. 4 (1991): 513–44.
10. Jacob Hacker and Paul Pierson, *Winner-Take-All Politics* (New York: Simon & Schuster, 2011). For an effort to identify a range of different outcomes beyond straightforward business dominance, see Thomas Paster, "How Do Business Interest Groups Respond to Political Challenges? A Study of the Politics of German Employers," *New Political Economy* 23, no. 6 (2018): 674–89.
11. Andrew Baker, "Varieties of Economic Crisis, Varieties of Ideational Change: How and Why Financial Regulation and Macroeconomic Policy Differ," *New Political Economy* 20, no. 3 (2015): 342–66.
12. Peter Bachrach and Morton S. Baratz, "Two Faces of Power," *American Political Science Review* 56, no. 4 (1962): 947–52; Steven Lukes, *Power: A Radical View* (London: Macmillan, 1974); Nicos Poulantzas, *Political Power and Social Classes* (London: New Left Books, 1973); Charles Lindblom, *Politics and Markets* (New York: Basic Books, 1977).
13. Adam Przeworski and Michael Wallerstein, "Structural Dependence of the State on Capital," *American Political Science Review* 82, no. 1 (1988): 11–29.
14. Ibid.
15. Henry Farrell and Abraham L. Newman, "Structuring Power: Business and Authority beyond the Nation State," *Business & Politics* 17, no. 3 (2015): 527–52.
16. Pepper D. Culpepper and Raphael Reinke, "Structural Power and Bank Bailouts in the United Kingdom and the United States," *Politics & Society* 42, no. 4 (2014): 427–54; Kevin A. Young, Tarun Banerjee, and Michael Schwartz, "Capital Strikes as a Corporate Political Strategy," *Politics & Society* 46, no. 1 (2018): 3–28.
17. See, e.g., the business responses in Brazil to the increasing likelihood that Lula would be elected president in 2002. Business argued that Lula's radical program would undermine Brazilian business and in response markets began to fall well before the election. Only when Lula wrote his "Letter to the Brazilian People," expressing more modest ambitions, and announced that he would appoint an orthodox economist to lead the Brazilian Central Bank did the markets turn upward. See Tasha Fairfield, "Structural Power in Comparative Political Economy: Perspectives from Policy Formulation in Latin America," *Business & Politics* 17, no. 3 (2015): 411–41; Daniela Campello, *The Politics of Market Discipline in Latin America* (Cambridge: Cambridge University Press, 2015).

18. Issues of corporate taxation, e.g., are usually embedded in technical discussions, and therefore business can often head off these initiatives by stalling them in committees on the basis of their complexity. Only occasionally do corporate tax issues break out into the public realm as issues of high salience. Len Seabrooke and Duncan Wigan, *Global Tax Battles: The Fight to Govern Corporate and Elite Wealth* (Oxford: Oxford University Press, 2020).
19. David Vogel, "Political Science and the Study of Corporate Power: A Dissent from the New Conventional Wisdom," *British Journal of Political Science* 17, no. 4 (1987): 385–408; Pepper D. Culpepper, "Structural Power and Political Science in the Post-Crisis Era," *Business & Politics* 17, no. 3 (2015): 391–409.
20. Cornelia Woll, "Politics in the Interest of Capital: A Not-So-Organized Combat," *Politics & Society* 44, no. 3 (2016): 373–91.
21. Hacker and Pierson, *Winner-Take-All Politics.*
22. As identified by Lukes, *Power.*
23. Culpepper, *Quiet Politics and Business Power*.
24. Eileen Keller, "Noisy Business Politics: Lobbying Strategies and Business Influence after the Financial Crisis," *Journal of European Public Policy* 25, no. 3 (2018): 287–306.
25. On trade narratives see Andrew Bowman, Julie Froud, Sukhdev Johal, and Karel Williams, "Trade Associations, Narrative and Elite Power," *Theory, Culture & Society* 34, nos. 5–6 (2017): 103–126. See also Stephen Bell and Andrew Hindmoor, *Masters of the Universe, Slaves of the Market* (Cambridge, MA: Harvard University Press: 2017)
26. Peter A. Hall, "Policy Paradigms, Social Learning, and the State: The Case of Economic Policymaking in Britain," *Comparative Politics* 25, no. 3 (1993): 275–96.
27. Dan Slater and Daniel Ziblatt, "The Enduring Indispensability of the Controlled Comparison," *Comparative Political Studies* 46, no. 10 (2013): 1301–27.
28. Despite the advantages of this case selection, it is obviously not possible to control for all relevant features, as the nature of British politics had changed and the European Communities had evolved into the European Union. For a discussion of the comparability, see Robert Saunders, "A Tale of Two Referendums: 1975 and 2016," *Political Quarterly* 8, no. 3 (2016): 318–22.
29. Dominic Sandbrook, *Seasons in the Sun: The Battle for Britain, 1974–79* (London: Allen Lane, 2012), 325.
30. David Butler and Uwe Kitzinger, *The 1975 Referendum* (London: Macmillan, 1976), 83.
31. "Vote for Your Job," *Economist* (May 3, 1975), 41.
32. Robert Saunders, *Yes to Europe! The 1975 Referendum and Seventies Britain* (Cambridge: Cambridge University Press, 2018), 156.
33. Ibid., 159–61.
34. Butler and Kitzinger, *The 1975 Referendum*, 109.
35. Saunders, *Yes to Europe!*, 285.
36. Andrew Gamble, "Taking Back Control: The Political Implications of Brexit," *Journal of European Public Policy* 25, no. 8 (2018): 1215–32.
37. Hannah Gresty and Chris Maxwell, "The EU Referendum: What You Really Think," *Director* (May 1, 2016), 60.
38. Scott James and Lucia Quaglia, "Brexit, the City and the Contingent Power of Finance," *New Political Economy* 29, no. 2 (2017): 258–71.
39. Ibid.; Helen Thompson, "Inevitability and Contingency: The Political Economy of Brexit," *British Journal of Politics & International Relations* 19, no. 3 (2017): 434–49; Helen Thompson, "How the City of London Lost at Brexit: A Historical Perspective," *Economy & Society* 46, no. 2 (2017): 211–28.

40. Scott Lavery, "'Defend and Extend': British Business Strategy, EU Employment Policy and the Emerging Politics of Brexit," *British Journal of Politics & International Relations* 19, no. 4 (2017): 696–714.
41. Alastair Burnet, *Is Britain Governable?* (London: Conservative Political Centre, 1975); Anthony King, ed., *Why Is Britain Becoming Harder to Govern* (London: BBC Publications, 1976).
42. Colin Crouch, *Class Conflict and the Industrial Relations Crisis: Compromise and Corporatism in the Policies of the British State* (Aldershot: Ashgate Books, 1977).
43. Andrew Glyn and Bob Sutcliffe, *British Capitalism, Workers and the Profit Squeeze* (London: Penguin, 1972); see also Philip Armstrong, Andrew Glyn, and John Harrison, *Capitalism since World War II* (London: Fontana, 1984).
44. Robert Bacon and Walter Eltis, *Britain's Economic Problem: Too Few Producers* (London: Macmillan, 1976); Nicholas Crafts, "British Relative Economic Decline Revisited: The Role of Competition," *Explorations in Economic History* 49, no. 1 (2012): 17–29.
45. Mark Wickham-Jones, *Economic Strategy and the Labour Party* (Basingstoke: Palgrave Macmillan, 1996).
46. There were other Labour members with strong attachments to the Commonwealth who opposed EU membership for this reason, as well as others for whom free trade in the old liberal sense was seen as essential to maintaining access to cheap supplies of food. Finally, there were those closely attached to the idea of parliamentary sovereignty per se who rejected membership, although these were frequently also supporters of the AES such as Benn and Michael Foot.
47. Andrew Gamble, *Britain in Decline: Economic Policy, Political Strategy and the British State* (Basingstoke: Macmillan, 1981).
48. Lucio Baccaro and Chris Howell, *Trajectories of Neoliberal Transformation: European Industrial Relations since the 1970s* (Cambridge: Cambridge University Press, 2017)
49. Andrew Glyn and Stewart Wood, "New Labour's Economic Policy," in Andrew Glyn, ed., *Social Democracy in Neoliberal Times* (Oxford: Oxford University Press, 2001); Ken Mayhew and Mark Wickham-Jones, "The United Kingdom's Social Model: From Labour's New Deal to the Economic Crisis and the Coalition," in Jan Erik Dølvik and Andrew Martin, eds., *European Social Models from Crisis to Crisis* (Oxford: Oxford University Press, 2014).
50. David Runciman, "The Crisis of British Democracy: Back to the '70s or Stuck in the Present?," *Juncture* 20, no. 3 (2013): 169–77.
51. Fintan O'Toole, *Heroic Failure: Brexit and the Politics of Pain* (London: Apollo Books, 2018)
52. James and Quaglia, "Brexit, the City."
53. Lavery, "'Defend and Extend.'"
54. In the European Parliament elections in 2014, the United Kingdom Independence Party (UKIP) led by Nigel Farage and aggressively anti-EU won the most seats (twenty-four compared to Labour's twenty and Conservatives' nineteen) and the highest percentage of the vote (28.6 percent, compared to 24.4 for Labour and 23.1 for the Conservatives).
55. John Clarke and Janet Newman, "'People in This Country Have Had Enough of Experts': Brexit and the Paradoxes of Populism," *Critical Policy Studies* 11, no. 1 (2017): 101–16.
56. David Conn, "Will Nissan Stay Once Britain Leaves? How One Factory Explains the Brexit Business Dilemma," *Guardian* (October 4, 2018).
57. Stewart Wood, "Why 'Indicative Planning' Failed: British Industry and the Formation of the National Economic Development Council (1960–64)," *Twentieth Century British History* 11, no. 4 (2000): 431–59.

58. Leon Gooberman, Marco Hauptmeier, and Edmund Heery, "The Evolution of Employers' Organisations in the United Kingdom: Extending Countervailing Power," *Human Resource Management Journal* 29, no. 1 (2019): 82–96.
59. Glenn Morgan and Andrew Sturdy, *Beyond Organizational Change: Structure, Discourse and Power in the UK Financial Services Industry* (London: Macmillan, 2000).
60. Theo Nichols, *The British Worker Question* (London: RKP, 1986).
61. Richard Whitley, "Commonalities and Connections among Directors of Large Financial Institutions," *Sociological Review* 21, no. 4 (1973): 613–32; Phil Stanworth and Anthony Giddens, eds., *Elites and Power in British Society* (Cambridge: Cambridge University Press, 1974); John Scott, *The Upper Classes: Property and Privilege in Britain* (London: Macmillan, 1982).
62. Mike Savage and Karel Williams, eds., *Rethinking Elites* (Oxford: Blackwell; 2008); Aeron Davis, *Reckless Opportunists: Elites at the End of the Establishment* (Manchester: Manchester University Press, 2018).
63. Julie Froud, Sukhdev Johal, Adam Leaver, and Karel Williams, *Financialization and Strategy* (London: Routledge, 2006).
64. See the discussion in Colin Crouch, *The Knowledge Corrupters: Hidden Consequences of the Financial Takeover of Public Life* (Cambridge: Polity Press, 2015).
65. See Mark Mizruchi, *The Fracturing of the American Corporate Elite* (Cambridge, MA: Harvard University Press, 2013).
66. See the description of this new elite in Davis, *Reckless Opportunists*.
67. See the discussion on the role of mobility for professional service firms such as management consultancies in Mehdi Boussebaa, Andrew Sturdy, and Glenn Morgan, "Learning from the World? Horizontal Knowledge Flows and Geopolitics in Professional Service Multinationals," *International Journal of Human Resource Management* 25, no. 9 (2014): 1227–42. See also Mehdi Boussebaa, Glenn Morgan, and Andrew Sturdy, "Constructing Global Firms? National, Transnational and Neo-colonial Effects in International Management Consultancies," *Organization Studies* 33, no. 4 (2012): 465–86.
68. In January 2019, Dyson announced it was moving its headquarters to Singapore, although it denied this was anything to do with Brexit and also promised that jobs in the United Kingdom would remain.
69. Anthony Bamford, "30 Years Ago 96 per Cent of a JCB Digger Was Made in Britain. Today It Is Just 36 per Cent. WHY?," *Daily Mail* (October 12, 2010).
70. Will Martin and Adam Payne, "The 21 Biggest Donors to the Brexit Campaign," *Business Insider* (May 9, 2017).
71. David A.L. Levy, Billur Aslan, and Diego Bironzo, *UK Press Coverage of the EU Referendum* (Oxford: Reuters Institute for the Study of Journalism, 2016).
72. Gooberman, Hauptmeier, and Heery, "Evolution of Employers' Organizations."
73. Davis, *Reckless Opportunists*.
74. Geoffrey Ingham, *Capitalism Divided? The City and Industry in British Social Development* (Basingstoke: Macmillan, 1984), 233; Patrick J. Akard, "Corporate Mobilization and Political Power: The Transformation of U.S. Economic Policy in the 1970s," *American Sociological Review* 57, no. 5 (1992): 597–615.
75. Jonas Pontusson, *The Limits of Social Democracy: Investment Politics in Sweden* (Ithaca, NY: Cornell University Press, 1992), 220–38.
76. Stewart Wood, "Business, Government and Patterns of Labour Market Policy in Britain and the Federal Republic of Germany," in Peter A. Hall and David Soskice, eds., *Varieties of Capitalism* (Oxford: Oxford University Press, 2001).

Author Biographies

Magnus Feldmann (m.feldmann@bristol.ac.uk) is a senior lecturer in politics in the School of Sociology, Politics and International Studies at the University of Bristol. His research interests relate to various topics in political economy, notably institutions, varieties of capitalism, and the politics of business and labor, and to postcommunist politics. His articles have appeared in a range of journals, including *World Politics, Comparative Political Studies, Government and Opposition*, the *European Journal of Industrial Relations*, and *Post-Soviet Affairs*.

Glenn Morgan (glenn.morgan@bristol.ac.uk) is professor of management in the School of Management at the University of Bristol. His research interests concern the role of business, business elites, and firm strategies in the formation of social, economic, and political institutions at national and international levels. He has coedited a number of recent books including *The Oxford Handbook of Comparative Institutional Analysis* (Oxford University Press, 2010), *Capitalisms and Capitalism in the Twenty-First Century* (Oxford University Press, 2012), *New Spirits of Capitalism* (Oxford University Press, 2015), and *Elites on Trial* (Emerald, 2015). His articles have appeared in a variety of journals including *Socio-Economic Review, Economy & Society, Organization Studies*, the *Journal of European Public Policy, Regulation & Governance, Industrial Relations*, and *Human Relations*.