

POLITICAL SOCIOLOGY

(Hilary 2019)

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6. Political elites

<http://users.ox.ac.uk/~sfos0060/PoliticalSociology.shtml>

Introduction

How is power distributed in democracy?

- Median voter: parties converge at the centre of preference distribution (Downs 1957)
 - Pluralism: different coalitions of interest groups and voters prevail on different issues; 'dispersed inequalities' (Dahl 1961)
 - **Power elite**: power wielded by corporate owners/managers overlapping with 'upper class' (Mills 1958; Domhoff 1978)
1. What is the 'political elite'?
 2. Does this elite exercise power?
 3. How can it exercise power?

'Power elite' (Domhoff)

elite \neq class

\approx Weberian 'status group'

1/2-1% of population

1. Social life

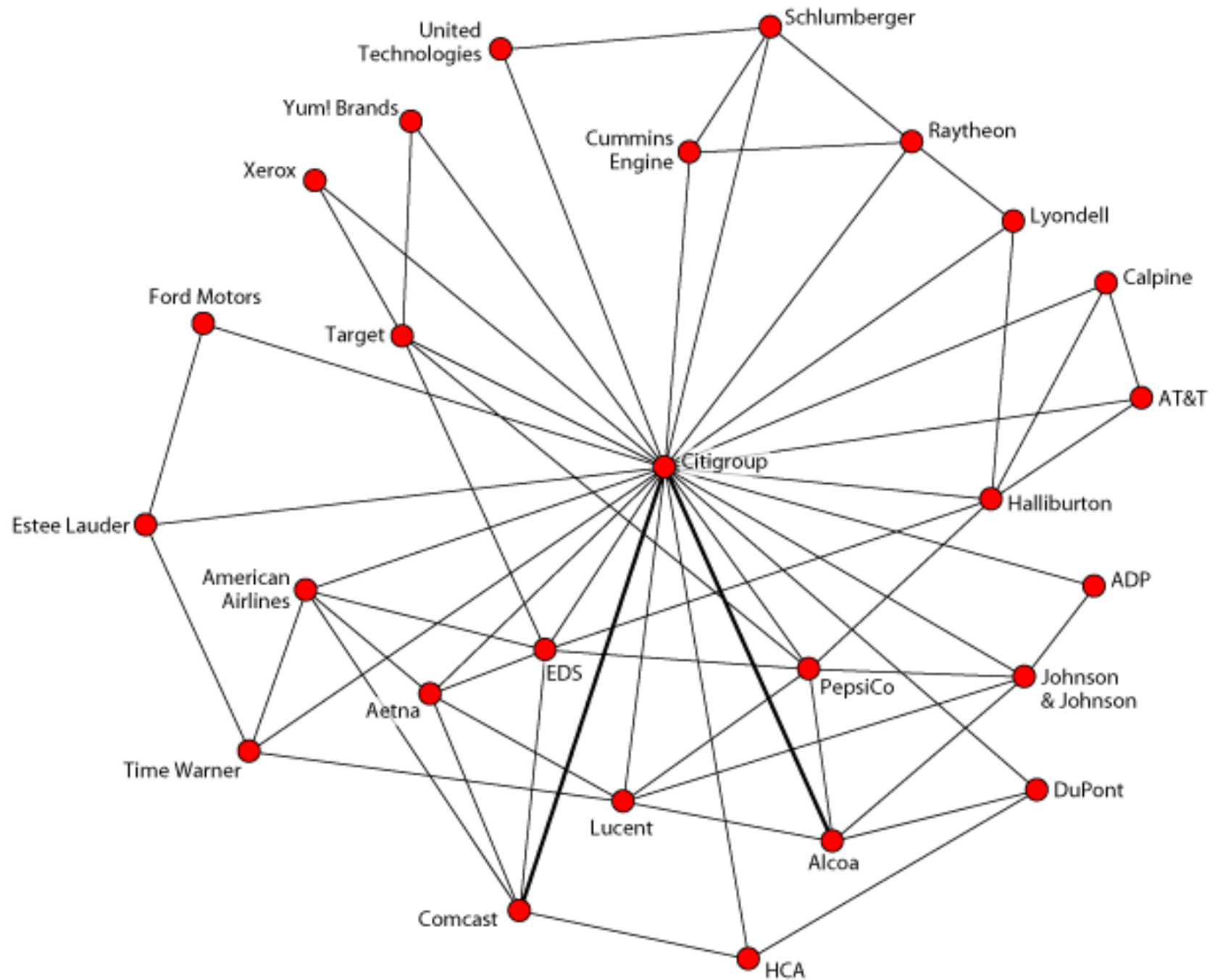
- schools e.g. Eton, universities
- clubs e.g. Whites (Bond 2012)
- kinship, marriage

2. Economic control

- managers, also non-executive directors (Bond 2007)
- interlocking directorships integrate all major companies



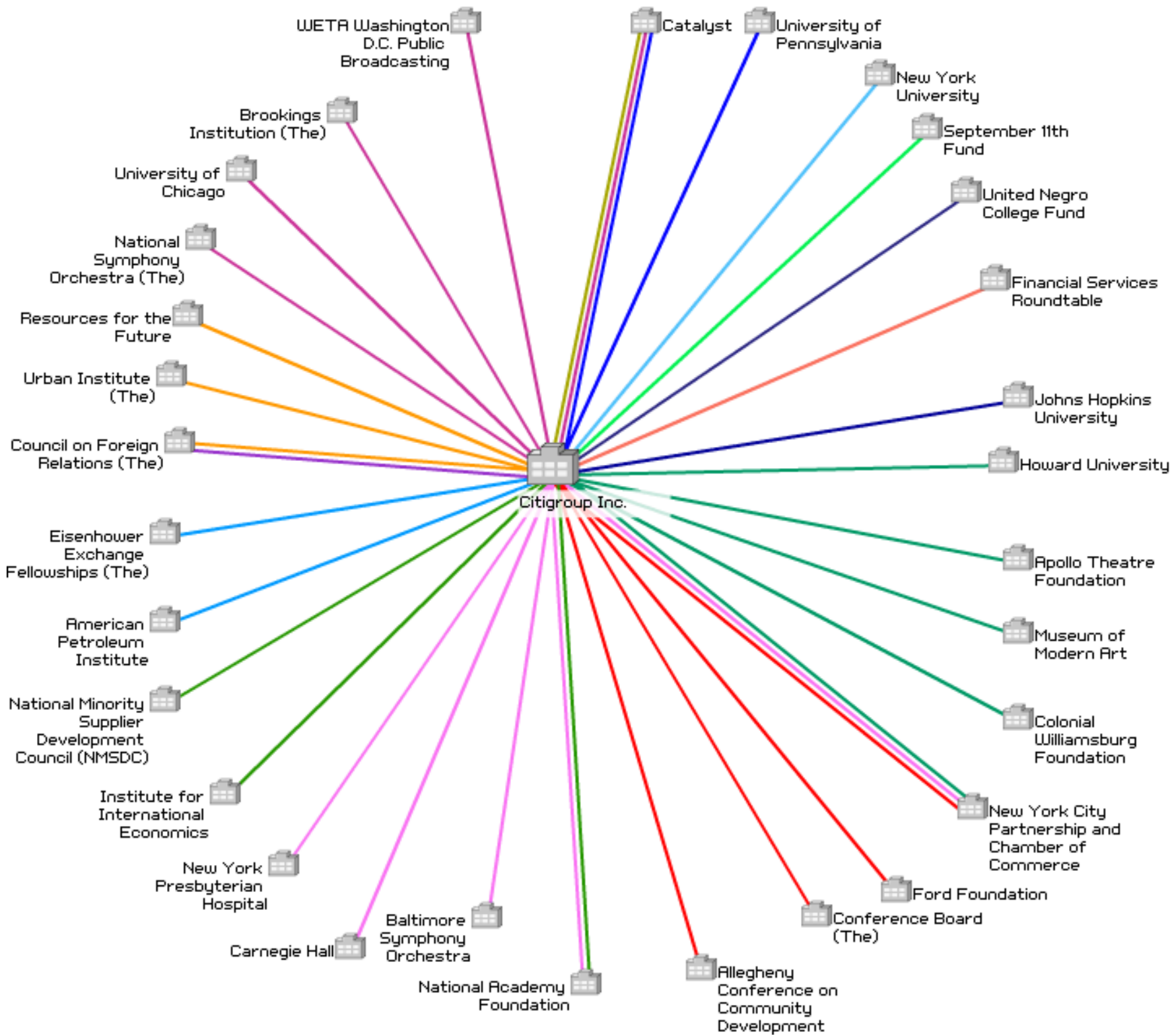
Board of Directors of Citigroup, largest U.S. commercial bank before 2008 (Source: Nick Harrigan)



—overlapping networks overcome problem of collective action

3. Public face

- formal organizations (e.g. chambers of commerce, CBI)
- think tanks (e.g. Institute of Economic Affairs, Adam Smith Institute, TaxPayers' Alliance)
- media (e.g. *Financial Times*; Murdoch empire)
- non-profit organizations



CITIGROUP INC.

First Degree Links:

- Armstrong, C. I.
- Belda, Alain J. F.
- David, George f.
- Derr, Kenneth
- Deutch, John M.
- Jordan, Ann Dit.
- Mulcahy, Anne I.
- Parsons, Richa.
- Pearson, Andra.
- Prince, Charles.
- Rodin, Judith.
- Rubin, Robert E.
- Thomas, Frank.
- Weill, Sanford I.
- Willumstad, Rol.

Conceptions of power over (Lukes 1974)

0. Occupying formal leadership positions

—but leaders may act on behalf of others ...

1. Prevailing over others in political conflict

Weber: power is ‘the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance’

2. Preventing others from creating political conflict

- via threats or agenda-setting

3. Manipulating others to take your interests for their own

... increasing methodological difficulty!

Evidence for unequal power: I. Prevailing

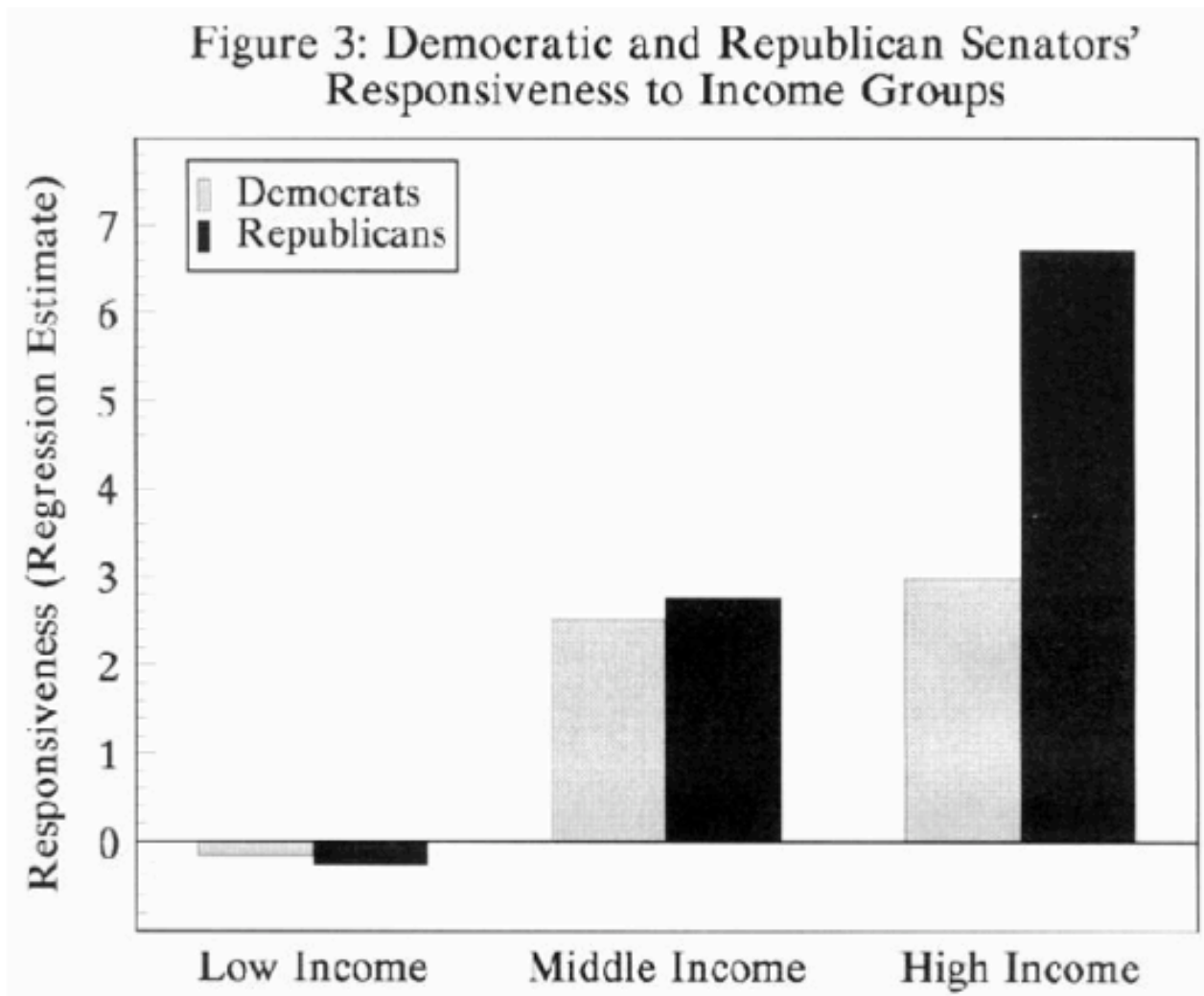
Case histories of policy-making

- e.g. urban redevelopment in New Haven, Connecticut, 1950s
 - Dahl (1961): impetus comes from populist mayor, and business plays minor role
 - Domhoff (1978): policy initiated by businesses (interlocks centred on New Haven First National Bank) and Yale, favouring both



Quantitative comparison of politicians' actions with voters' views

- U.S. senators' votes compared to electorate divided by income thirds (Bartels 2008):

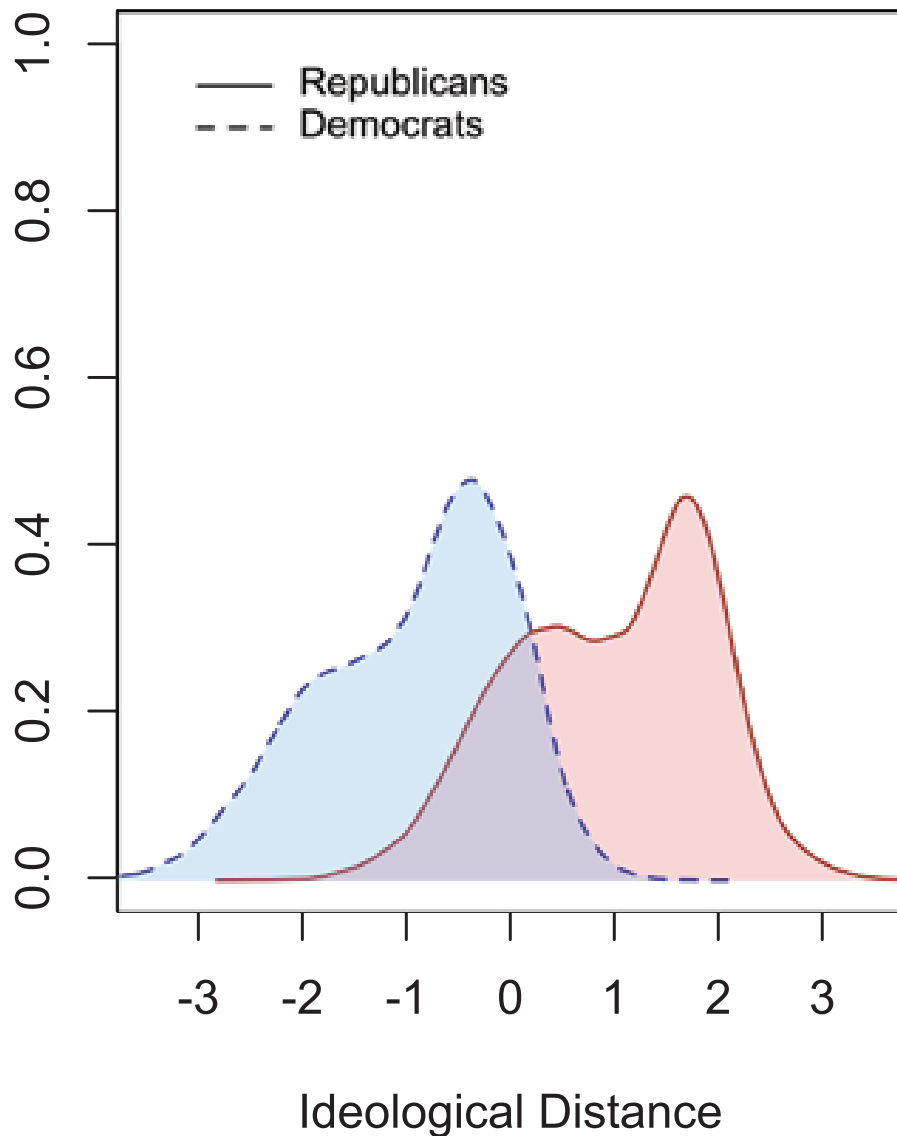


-1 (Liberal) to
+1 (Conservative)

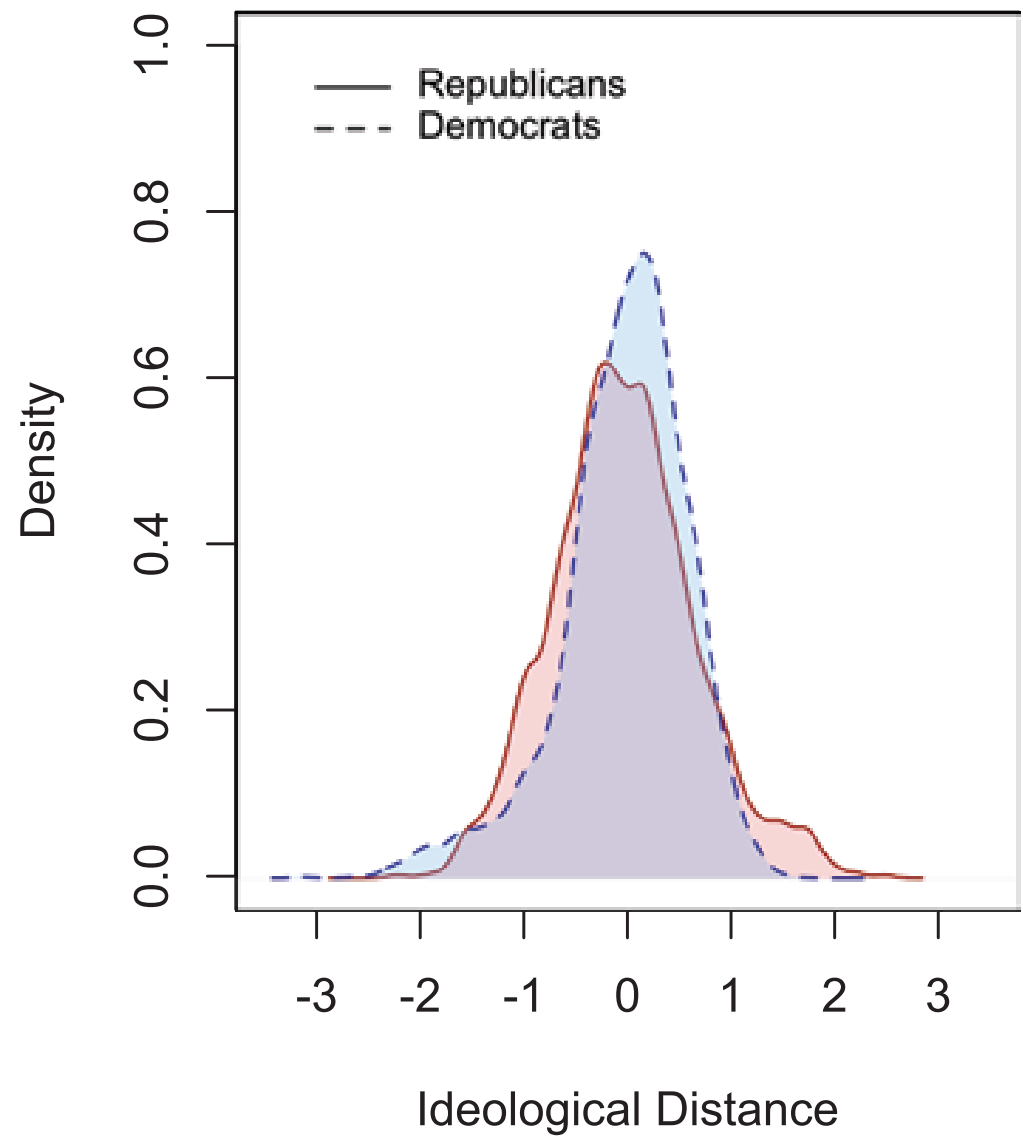
- not explained by turnout
- party/ideology still matters

- U.S. senators are more extreme than voters—and their voters—but congruent with their donors (Barber 2016)

Distribution of Pairwise Ideological Distances
Voters and Senators



Distribution of Pairwise Ideological Distances
Donors and Senators



2. Preventing

Policies adopted without overt conflict:

- intellectual property rights
 - UK Digital Economy Act 2010, passed in “wash up” period, less scrutiny
 - US Sonny Bono Copyright Term Extension Act 1998, adding 20 years to copyright, passed by voice vote

Policies *not* adapted to change—“drift” (Hacker & Pierson 2010)

- UK non-dom status
- UK & US income of hedge-fund managers taxed at much lower rate
- English council tax bands valued by 1991 prices

3. Manipulating

- How do you determine objective interests?
- Material benefits?
 - poor oppose inheritance tax, rich support minimum wage!
- Misinformation:
 - e.g. American support for Iraq War ex post (Kull, Ramsey, & Lewis 2003)
 - support largely explained by misperceptions: 23% (0) to 86% (3)
 - misperceptions explained by partisanship and by news source, esp. Fox News

Direct mechanisms: identity and self-interest

- Politicians and officials come from economic elite
 - Goldman Sachs alumni in ECB (Draghi spent 3 years) and Bank of England (Carney spent 13 years)
 - e.g. Browne review 2010: BP, banking, consultancy
- Politicians need resources to win office; these come from the economic elite (*but also* trade unions)
- Politicians and officials know they can ascend into elite
 - Blair earns £2m a year with JP Morgan
 - entering Parliament as a Conservative MP (1950-70) doubles wealth at death, presumably due to directorships and consultancies (Eggers & Hainmueller 2009)
 - former U.S. Senate staffers as lobbyists earn \$177k (1/4) less when their Senator leaves office (Vidal, Draca, & Fons-Rosen 2010)

Indirect mechanisms

I. Shape public opinion

- corporate media ownership (Murdoch)
- buying expert judgment—at least increasing uncertainty
 - smoking gun for tobacco (Proctor 2011)
 - ‘Doubt is our product, since it is the best means of competing with the body of fact that exists in the minds of the general public.’ (VP of Marketing in 1969)
 - scientists and economists on climate change
 - economists on economics (Mirowski 2013)
 - Lord Giddens: ‘As one-party states go, Libya is not especially repressive. Gadafy seems genuinely popular’ (*Guardian*, 9 March 2007); Libya paid Monitor Group US \$2m

2. Structural power of capitalists

- ‘capitalists, in their collective role as investors, have a veto over state policies in that their failure to invest at adequate levels can create major political problems for the state managers’ (Block 1977)
- Disinvestment after 2008: ‘capital strikes as a corporate political strategy’ (Young, Banerjee, & Schwartz 2018)
- Bank bailouts—U.K. banks take \$14b, U.S. give \$8-10b despite revolving door and financing, because HSBC has structural power (Culpepper & Reinke 2014)

Summary

- Four levels of power:
occupying; prevailing; preventing; manipulating
- 'Power elite': overlapping social and economic networks,
 $\leq 1\%$
- Elite exercises disproportionate power; extent varies
with issue, over time, across countries
- Various mechanisms, from direct to indirect

- Michael J. Barber, 2016, "Representing the Preferences of Donors, Partisans, and Voters in the U.S. Senate," *Public Opinion Quarterly* 80: 225–249.
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- G. William Domhoff, 1978, *Who Really Rules? New Haven and Community Power Reexamined*
- G. William Domhoff, 1996, *State Autonomy or Class Dominance: Case Studies on Policy Making in America*
- Andrew C. Eggers & Jens Hainmueller, 2009, "MPs for Sale? Returns to Office in Postwar British Politics," *American Political Science Review* 103: 513-53
- Jacob S. Hacker & Paul Pierson, 2010, "Winner-Take-All Politics: Public Policy, Political Organization, and the Precipitous Rise of Top Incomes in the United States," *Politics and Society* 38: 152-204
- Steven Kull, Clay Ramsay, & Evan Lewis, 2004, "Misperceptions, the Media, and the Iraq War," *Political Science Quarterly* 118: 569-98
- Steven Lukes, 1974, *Power: A Radical View*
- C. Wright Mills, 1958, "The Structure of Power in American Society," *BJS* 9: 29-41
- Robert Proctor, 2011, *Golden Holocaust: Origins of the Cigarette Catastrophe and the Case for Abolition*, University of California Press
- Kevin A. Young, Tarun Banerjee, & Michael Schwartz, 2018, "Capital Strikes as a Corporate Political Strategy: The Structural Power of Business in the Obama Era", *Politics and Society* 46: 3–28.