

# When Big Business Loses (?) : The Political Economy of Regulation in the Context of Noisy Politics

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# Overview of Presentation

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# Introduction

- Massoc, Elsa. 2019. "Taxing Stock Transfers in the First Golden Age of Financial Capitalism: Political Salience and the Limits on the Power of Finance." *Socio-Economic Review* 17 (3): 503–22. <https://doi.org/10.1093/ser/mwx039>.
- Feldmann, Magnus, and Glenn Morgan. 2021. "Brexit and British Business Elites: Business Power and Noisy Politics." *Politics & Society* 49 (1): 107–31. <https://doi.org/10.1177/0032329220985692>.

# Research Focus

## Massoc (2019) :

- Why did powerful financial actors fail to prevent the adoption of stock-transfer taxes in France and New York?
- **Focus:** how public discontent + political framing raised salience and undermined “quiet politics.”

## Feldmann and Morgan (2021):

- Under what conditions can business elites be effective in a context of noisy politics, and why did their influence differ between 1975 and 2016?
- **Focus:** how incentives, legitimacy, and cohesion shape business influence in high-politicization referendum campaigns.

# What brings these papers together?

Both papers examine how political visibility and public contestation reshape business/financial influence

- Massoc (2019) shows how politicization of a tax issue enabled politicians to override strong financial lobbying.
- Feldmann and Morgan (2021) analyze how changing political conditions over time affect business effectiveness in high-visibility referendum campaigns.

## Common Question

- *Under what conditions do business actors struggle to assert influence?*

## Theoretical Framework and Important Concepts: Noisy Politics

# Culpepper's Framework: Quiet vs. Noisy Politics

**Core hypothesis:** The more the public cares about an issue, the less business can exercise influence over regulation. Business power decreases as political salience increases (Culpepper 2021).

Quiet Politics	Noisy Politics
Issues are technically complex and low in public salience. Business dominates through expertise monopoly and structural dependence.	Issues become publicly salient and politicized. Media attention and public engagement constrain business influence and organizations become cautious and may avoid public positioning.

- **Three forms of business power:** structural, instrumental, and ideational
- **The challenge:** Business power persists even in noisy politics through technical complexity, strategic network-building, and control of core growth sectors.



## Side-By-Side: Paper Summaries and Critical Discussio

# Feldmann and Morgan (2021) : Brexit and British Business Elites

**The question:** When can business elites influence “noisy politics”?  
Comparing EU Referenda

**Three determinants of business effectiveness:**

Factor	1975 (Won: 67% Yes)	2016 (Lost: 52% Leave)
Incentives	Existential threat (alternative economic strategy)	No clear threat; ambiguous stakes
Legitimacy	“Modernization” narrative resonates	Dismissed as “Project fear” + establishment
Cohesion	415/419 chairmen united; 800 firms mobilized	Only 1/3 FTSE 100 sign pro-remain letter

**The mechanism**

- 1975: Unified business presence in workplaces → counter-framing succeeds

# Massoc (2019) : Stock Transfer Tax & Political Salience

**The puzzle:** Same anti-finance sentiment → Different outcomes.

**Why?**

1903: Stock transfer tax proposed

↓ Public anger: Financial crisis + anti-finance sentiment

↓ Finance opposition: Massive

→ **Outcome:** Rejected

1905: Stock transfer tax proposed (same tax!)

↓ Public anger: Same level

↓ Finance opposition: Same level

→ Difference: Political champions (Senators Lewis & Raines)  
publicly framed issue

→ **Outcome:** Passed

# The answer: Framing creates salience

It requires political entrepreneurs who:

- Reframe complexity as simple antagonism (“finance vs. people”)
- Have incentive to alienate finance (party positioning)
- Actively publicize the issue (top-down process)
- Same structural conditions; different political choices = different outcomes

# Critical review – What actually causes business defeat?

## **Framing as a cause – Massoc's logic:**

- Shows political agency matters
- Same conditions → different framing = different outcomes
- Does not explain why framing succeeds in some contexts not others

## **Elite fragmentation as a cause – Feldmann & Morgan's logic:**

- Shows structural vulnerability enables defeats
- 975 cohesion defeats framing attempts; 2016 fragmentation allows framing to succeed
- Does not explain how fragmentation becomes politically visible

Synthesis: What Brings These Papers Together?

# Two Sides of the Business–Politics Struggle

The papers map the conditions that shift the balance in favor of politicians or business.

## Two axes of analysis

- *“Anti-Business Offense” vs “Business Defense”*
  - Massoc: How can political actors mount an effective anti-business offense?
  - Feldmann and Morgan: When can business can (or cannot) successfully defend itself in noisy politics?
- *Noisy Politics Manicheanism: From New York and France to Brexit*

# Anti-Business Offense” vs “Business Defense”

## **Massoc: Anti-Business Offense**

- Offense is politically constructed, not automatic.
- Politicians create salience and frame issues in moral, binary terms.
- Framing channels diffuse public anger into a focused attack on finance.

## **Feldmann and Morgan: Business Defense**

Business defense works only when three conditions align:

- 1 Incentives to engage — business must see existential stakes.
- 2 Legitimacy — messages must be perceived as serving the public, not narrow interests.
- 3 Cohesion — unified signaling increases credibility and influence



# Anti-Business Offense” vs “Business Defense”

- Massoc explains how politicians win by activating the offense whereas Feldmann & Morgan explain how business can (or cannot) counterattack.
- Offense gains power when issues are moralized, simplified, and made public. Under the same conditions, business loses:
  - Harder to mobilize
  - Less legitimate
  - More divided

## In brief

- Massoc describes the conditions for business defeat; Feldmann and Morgan describe the mechanics of business resistance.
- A full political-economy picture emerges only when offense and defense are examined together.

# Bibliography I

- Culpepper, Pepper D. 2021. "Quiet Politics in Tumultuous Times: Business Power, Populism, and Democracy\*." *Politics & Society* 49 (1): 133–43. <https://doi.org/10.1177/0032329220985725>.
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