

Book Review: Business, Politics, and Society: An Anglo-American Comparison

Rana Tassabehji
School of Management, University of Bradford
Emm Lane, Bradford, BD9 4JL, United Kingdom
Tel: +44 1274 233902
Email: r.tassabehji@bradford.ac.uk

Book Information

Book Title:
Author: Michael Moran
Publisher: OUP Oxford
Edition: 1st
Year: 2009
Pages: 170 pages
ISBN: 9780199202553
Price: £22.50

Keywords: institutions, Anglo-American, political systems, business systems, government, society

BOOK REVIEW

Michael Moran is a Professor of government and politics who admits his major concern over the past 30 years of his academic career has been to investigate what happens when you marry capitalism and democracy? In his new book he investigates the relationship between business, politics and society in the UK and USA. I reviewed this book from the perspective of an academic in the field of new technology management, information systems and e-government. I found this book extremely well written and very edifying. The book is broken down into 8 chapters each of which is linked with material in the previous chapters and references to future chapters yet to be read.

The first chapter lays the foundations of the book highlighting the major themes and summarising the major arguments that will be covered in the following 7 chapters which explore the interaction between capitalism, democracy and the power of business. The book focuses on the UK and US as examples of the two most high profile and established capitalist democracies that have a common assimilation to a single model, but with differences that have emerged from variations in their histories and institutions. Chapter 2 traces through the historical roots of business communities, their relations with systems of politics and the wider civil society in the two countries. Moran presents a “path dependent” nature of the historical development of systems of business and politics where rather than the past determining the present, he maintains that historical experience has produced important divergences that have shaped the different patterns of interaction between politics and business in the UK and US. Chapter three isolates one of the factors that impact relationships between business, partisan politics and the wider relations with society – namely business lobbying. This chapter charts the growth and professionalization of business lobbying with increased resources and sophistication and the birth of partnership between big business and big government and the importance of multinational enterprise in the new age. This leads seamlessly to the next chapter which examines the giant multinational corporation as a key participant in politics and economic life. Their importance is underlined by the statistics - in the UK, multinational corporations account for 0.1% of enterprises by number but 41% employment and 49% turnover (p.61). The political strength of corporate giants has arisen from the extensive resources that are available to them on a multinational scale and the central importance of business in the economic functioning of a modern capitalist state. With such strengths come the increasing unpopularity of giant corporations in society and the need for them to counter growing critical institutions in civil society through reputation and brand management and corporate governance. Having established the political character of the giant corporation, the next chapter (5) examines the impact of small business on politics, which is the largest in numbers (nearly 99% of firms are small in the UK) and thus the potential political strength of this collective group. The difficulty of small businesses is that they are extremely heterogeneous, operating in many different sectors has given rise to political and institutional innovation to represent their interests. Moran however sees this as a sign of weakness not strength which he goes on to explain in Chapter 6. The connection between business and party politics are summarised into two questions: “how far do parties have to rely on business support?” and “how dependent is business on parties?” and explored throughout the chapter. The escalation of campaigning costs, the dwindling number of party members and voluntary party activists has meant that a much closer relationship with business has had to be forged by political parties often giving rise to political scandal and increased regulation on both sides of the Atlantic. As the book draws to a close, the final couple of chapters do an excellent job in summarising the major themes and issues and placing them in a theoretical context of Marxism and pluralism. He presents Gramsci and Schumpeter as the lens through which to view social and cultural context of business institutions in modern capitalist society, where both agree on the convergence of advanced capitalist systems in their dominant cultural traits, but differ in their discourse on what capitalist systems converge on. Mixed into this framework is the perspective of pluralism. In the final chapter Moran concludes that Schumpeter’s “restless capitalism” has combined with restless democracy. Although a model of capitalism is an economic image, it is primarily a political image shaped by regulatory regimes under which economic institutions operate. Moran observes that the UK and US systems are not converging and rather than undergoing Americanisation, the UK system is looking increasingly European because of the role of the EU in regulation – a critical factor in understanding how politics intervenes in the business system. What Moran does see is that there are common features in the exercise of business power and influence in both Anglo-American political systems. The differences, which he sees as very important, are highly contingent on national history, culture and institutional setting.

Overall, I highly recommend this book to all who have an interest in business, e-government, government and society. It knits together the major issues and while focusing on the systems in the UK and US, throughout the book Moran presents separate vignettes or “boxes” of information that vary in

themes examining the interplay of politics and business in Russia, Europe, South Korea, and including examples from the large corporate such as Nestle, BAT and Wal-Mart, all of which enhance points being made and extend the scope of the book beyond the Anglo-American. It is an easy read, and for the non political scientist and economist, the theoretical frameworks he presents are done so very lucidly and in a way that is clear and easy to understand without having to dip into other economics and political science reference books.