## Why are certain interests represented in politics while others are not?

Political Science Midterm – home assignment BSc in International Business and Politics

Copenhagen Business School

Pages: 5 (8 including bibliography and front page) Characters: 11,244 Reference system: APA 6<sup>th</sup> edition Student number: The interests of some individuals and corporations are effectively represented in politics, while others are left out of the political process. This raises an important question about the framework of democracy and who has the power to influence the political agenda. This assignment will argue that certain interests are represented in politics because individuals and corporations with greater resources hold significant power to influence the interests represented. The power that comes with wealth and resources can influence political decision-making, resulting in the prioritization of certain interests over others. A comprehensive argument regarding the influence of elite theory in the representation of interest will compose the conditions for the statements in this assignment. In six supporting paragraphs, this assignment will outline how the "revolving door," preferences, economic resources, and structural power explain the representation of certain interests in six supporting paragraphs. The presented argument is one of many reasons certain interests are represented in politics while others are not.

Firstly, the reason for the representation of certain interests in politics, while others are not, can be imposed on the framework of elite theory. As the elite theory states that elites dominate the national discourse, it applies that allocation of influence undermines vertical accountability, a crucial element of democracies, and therefore removes the interest of the many to the interest of the few – i.e., elites (Farazmand, 1999). The elite theory can be implied in the political structure of The United States. Here, the public policy outcomes are shaped more by the preferences and interests of economic elites and powerful interest groups rather than the general public's preferences. Empirical analysis showed that even when the majority of citizens disagree with economic elites or organized interest groups, policy change generally does not happen (Cassidy J. , 2014). This consequently draws evidence that an economic elite can influence political interest by providing financial goods to political actors to gain a representation of their interests, also known as lobbying. This will be further investigated later in the assignment. The elite theory implies that creating a closed circle secures the power to represent certain interests. It is possible to point against the term: "revolving door," which suggests that politicians will enter the lobbyism industry when they are out of office and the other way around. This creates a small and closed circle – i.e., an elite that holds power (Vidal , Draca , & Fons-Rosen, 2012). This is a specially known term in The United States. An analysis shows that after the US election in 2012, half of the ongoing House and 60 percent of the members that left the Senate went on to register as lobbyists (Blach-Ørsten, Willig, & Pedersen, 2017). Also, while fossil fuel companies' history of climate denial is common knowledge, the former ex-shell employee Christian Hoekstra is appointed the new climate commissioner in the European Commission. This represents how many industry voices step into positions of power in politics to represent certain interests (Myers, 2023). Mentioned are two clear examples of how the elite theory creates a closed circle that secures self-interest representation as a result of greater resources in form of connections. This gives the individuals and corporations inside the closed circle the power to influence the interests represented in politics.

According to rational choice theory, it is assumed that political actors, and hereby elites, rationally pursue their preferences through self-interest, as seen in their political behavior (Browning, Halci, & Frank Webster, 2000). The elite theory can therefore also be applied in terms of a political elite as a resource itself. According to Gwen Moore, the political elite can be phrased as: "persons who by virtue of their institutional positions have a high potential to influence national policy-making (...) but also top of top positions holders in large organizations in the private sector, including major corporations (...)" (Moore, 1979, p. 674). As the rational choice theory implies maximizing one's own utility, political actors tend to search for money to support their politics and their interests. Silvio Berlusconi, former Prime Minister of Italy, made economic reforms that secured his interest in growing his personal wealth while undermining

many cultural difficulties (Merelli, 2023). The example above supports the claim that rational choice theory suggests that the political elite prioritize their self-interests when making political decisions, ensuring outcomes that accommodate certain interests over others.

Corporations possess economic resources that gain them influence on representation of interests in politics. Many studies have shown that corporations gain benefits, such as representation of interest, by seeking political connections (Eggers & Hainmuller, 2009; Farazmand, 1999). Corporations tend to follow the rationality of pursuing their private interest without direct concern for the common good – which can be done through the political elites. As the state defines *the rules of the game*, corporations seek an alliance with the political elite which can be formed to avoid regulations that may affect their interest negatively. Corporations, therefore, favor certain political actors to accommodate their interests (Palazzo, Scherer, & Matten, 2014). In 2014, the EU introduced a new tobacco regulation. This made some of the biggest tobacco companies, such as Japan Tobacco, spend four weeks in Brussels maxing out their resources, paying more than 3 million euros on an action plan to weaken future regulations. This allows them to have many meetings with MEPs to persuade them to act according to their interest (Traynor, 2014). Thereupon corporations use their economic resources to get a better representation of their interest in politics.

Economically resourceful corporations can also gain influence through lobbying. This summer, more than 100 British MPs have enjoyed free hospitality of events worth more than 180,000 British pounds given by banks and oil companies. This could lead to MPs being more open to influence from companies providing these benefits and undermining the integrity of decision-making away from the public interest (Mason, 2023). Once politicians bite the hook of the corporation's benefits, and corporations see the beneficial outcome of lobbying, they are already deep in coalitions and networks that they rarely depart again (Drutman, 2015). In Brussels, lobbyists have, by some estimates, managed to influence 75% of legislation

(Traynor, 2014). This shows a pattern of corporations being politically active by lobbying and having their interest represented. Charles Lindholm argued that: *"because government relied on business to allocate and mobilize the economic resources (...) large private corporations enjoyed political power that undermined democratic responsiveness to any other interest in society"* about the explanation of corporations' privileged position in The United States (Drutman, 2015, p. 3). The expressed examples of lobbyism and Charles's argument explain the connection between economic resources and creating an elite representing certain interests.

The structural power in the political arena creates a strong cohesion between politicians and corporations. It is impossible to understand the political system as disconnected from the economic system. The structural power of business refers to how large companies and capital owners, which tend to be the same, gain influence in politics due to their integration into the economic process of growth (Culpepper, 2015). This creates privileged access for corporations to dominate the political agenda as political actors and represent their interests (Scherer, Palazzo, & Matten, 2014). Novo Nordisk, a Danish pharmaceutical company, was in 2023 worth 385 billion euros – which is slightly more than Denmark's GDP (Fick, 2023). In the first half year of 2023, Novo Nordisk spent nearly 2.9 million dollars on federal lobbying to gain influence in politics to enlighten their own corporation's interest – i.e., removing Medicare restrictions on weight management treatments, to ensure continued economic growth (Giorno, 2023). The government needs to accommodate business interests to generate taxes – i.e., revenue, to keep corporations from exiting the country and removing revenue. The indicated statement presents a clear coalition between politicians and corporations. This supports the main argument of this assignment: that members of the elite with a greater hold of resources have more direct access to key decision-makers.

Furthermore, the creation of an elite in a democratic system can have long-term consequences on the public's participation in politics, which reinforces the power of the elite. When resourceful individuals' and corporations' interests are often met in politics, it can lead voters to question their reasons for active participation. According to rational actor theorists, for most people, there is no rational reason to participate in any political action, such as voting, when their interests are not met (Downs, 1957). A study in the UK showed that the largest percentage of people who did not vote in 2015 did so because they felt that their beliefs were not represented by the parties and candidates (Cassidy F. , 2019). Without any ameliorating circumstances, this would suggest that elite theory applies to how different interests are represented (Orvis & Drogus, 2021). An overall supporting argument that amplifies the creation of a closed circle – i.e., a powerful elite, secures the power of certain interests.

Providing a democratic representation of interest can be difficult – or at least when an elite dominates the political arena. So, why are certain interests represented in politics while others are not? There is not only one explanation for this, but this assignment has argued that certain interests are represented in politics because individuals and corporations with greater resources hold significant power to influence the interests represented. The elite theory implies that creating a closed circle, through "revolving door" and lobbyism, secures the power of representation of certain interests. It is assumed that political actors, and hereby political elites, rationally pursue their preferences through self-interest. This ensures outcomes that accommodate certain interests over others. Corporations also point against the framework of elite theory, as their economic resources gain them influence in the representation of interest in politics. Overall, this can be explained by the structural power in the political arena that, due to the economic growth process, creates a strong cohesion between politicians and corporations. A statement that supports this assignment argument: that members of the elite, with a greater hold of resources, have a more direct access to key decision-makers and, therefore, have their interest represented in politics rather than others.

## **Bibliography**

- Binderkrantz, A., Christensen, J., Christiansen, P., Nielsen, M., & Pedersen, H. (2023, May). Closed shutters or revolving doors? elite career track similarity and elite sector transfers in Denmark. *European Journal of Political Research*.
- Blach-Ørsten, M., Willig, I., & Pedersen, L. (2017, December). PR, Lobbyism and Democracy: Mapping the revolding door in Denmark from 1981 to 2015. *Sciendo*.
- Browning, G., Halci, A., & Frank Webster. (2000). Understanding Contemporary Society. SAGE Publications.
- Cassidy, F. (2019, September). *Why People don't vote*. Retrieved from Raconteur: https://www.raconteur.net/economy-trends/why-people-dont-vote
- Cassidy, J. (2014, April 18). Is America an Oligarchy? *The New Yorker*.
- Culpepper, P. D. (2015, August). Structural Power and political science in the post-crisis era. *De Gruyter*.
- Downs, A. (1957, April). An Economic Theory of Political Action in a Democracy. *Journal of Political Economy*.
- Drutman, L. (2015). The Pervasive Position of Business. In L. Drutman, The Business of America is lobbying: How Corporations Became Politicized and Politics Became more corporate. Oxford University.
- Eggers, A., & Hainmuller, J. (2009, November). MPs for sale? Returns to office in Postwar British Politics. *American Political Science Review*.
- Farazmand, A. (1999). The Elite Question: Toward a Normative Elite Theory of Organizations. Administration & Society.
- Fick, M. (2023, October). Novo Nordisk's Wegovy bonanza looms large in Denmark. Retrieved from Reuters: https://www.reuters.com/business/healthcare-pharmaceuticals/novonordisks-wegovy-bonanza-looms-large-denmark-2023-10-05/

- Giorno, T. (2023, August). Novo Nordisk boosts lobbying as it seeks Medicare coverage for obesity drugs. Retrieved from The Hill: https://thehill.com/business/4163068-novonordisk-boosts-lobbying-power-as-it-seeks-medicare-coverage-for-obesity-drugs/
- Mason, R. (2023, August). More than 100 MPs received freebies worth £180,000 this summer. Retrieved from The Guardian: https://www.theguardian.com/politics/2023/aug/23/morethan-100-mps-received-freebies-worth-180000-this-summer
- Merelli, A. (2023, June). *Italy is still paying for the damage of the Berlusconi years*. Retrieved from Quartz: https://qz.com/italy-is-still-paying-for-the-damage-of-the-berlusconi-1850528792
- Moore, G. (1979, October). The Structure of a National Elite Network. *American Sociological Review*, p. 19.
- Myers, M. (2023, June). Amid rising climate catastrophes, why is the EU putting an oil man in charge? Retrieved from Corporate Europe Observatory: https://corporateeurope.org/en/2023/09/amid-rising-climate-catastrophes-why-euputting-oil-man-charge
- Orvis, S., & Drogus, C. (2021). *Introducing Comparative Politics: Fifth Edition*. SAGE Publications.
- Palazzo, G., Scherer, A., & Matten, D. (2014). The Business Firms as a Political Actor: A New Theory of the Firm for a Globalized World. *Business & Society*, p. 13.
- Scherer, A., Palazzo, G., & Matten, D. (2014, March). The Business Firm as a Political Actor: A New Theory of the Firm for a Globalized World. *SAGE Journals*, p. 13.
- Traynor, I. (2014, May). 30,000 lobbyists and counting: is Brussels under corporate sway? Retrieved from The Guardian: https://www.theguardian.com/world/2014/may/08/lobbyists-european-parliamentbrussels-corporate
- Vidal, J., Draca, M., & Fons-Rosen, C. (2012, December). Revolving Door Lobbyist. American Economic Review, p. 17.