Studies in American Political Development, 33 (April 2019), 1–3.
doi:10.1017/S0898588X1900004X
ISSN 0898-588X/19
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Editor's Introduction

In recent years, there has been a resurgence of scholarly interest in the role played by business in American politics—interest flowing not only from the subfield of American political development but many other precincts of academia as well.

The questions that motivate scholars are as diverse as they are numerous, but a number of core concerns recur. How politically powerful is business? What is the source of its power? How should its policy preferences be characterized, and how are they represented in the political process? How should scholars go about identifying these policy preferences? Does the political power of business ultimately distort the quality of democratic representation in the United States? If so, how?

The first four articles in this issue of *Studies* make up a special *SAPD Forum* that addresses these and other important questions. Our point of departure is an important article by Peter Swenson recently appearing in these pages. Readers familiar with Swenson's article, "Misrepresented Interests," will remember that it takes up and contributes to a long-standing discussion about whether and how organized business shaped the passage and design of health care policy in the United States. One of Swenson's central arguments is that business should not be presumptively regarded as opposing the establishment and expansion of social programs. In his reading of the literature on the formation of the American welfare state, scholars across several disciplines are said to share the implicit "belief that there is a pervasive and enduring antagonism between business and the welfare state" (p. 1, all parenthetical page references in the introduction are citing Swenson, "Misrepresented Interests," unless otherwise indicated). Even when employers, owners, or their organizational representatives are observed explicitly voicing their support for social legislation, such statements are sometimes interpreted as a strategic accommodation to larger political realities that limit what is possible. Swenson argues that expressions of support for a policy are not the only form of strategic accommodation practiced by sophisticated political actors such as business—so are expressions of opposition to a policy (p. 3). What is needed to distinguish various kinds of strategically motivated position taking from actual preferences is a clear and precise sense of the economic interests in play. When information about economic interests is weighed and considered, he argues, it becomes evident that business stances toward the welfare state are variable, and there are indeed circumstances in which it is not only imaginable but perhaps even likely that selected segments of the business community sincerely support particular incarnations of the welfare state (pp. 3–4).[1]

Swenson substantiates his argument through a look at the political development of health care policy in the United States, focusing especially on the passage and design of Medicare in 1965. A leading perspective in the literature sees business as deeply opposed to Medicare. Swenson develops a different view. Drawing on contemporaneous observations from business journalists, oral histories of lawmakers, congressional testimony, archival research in presidential libraries, and the records of lawmakers and interest groups, he makes the case that a nontrivial set of large employers, who had begun to take on responsibility for financing the health care of their retirees in the early 1960s, were becoming interested in exploring policy options that would relieve them of their commitments (pp. 7–9). Swenson also makes a number of observations that strike him as inconsistent with the notion that the U.S. Chamber of Commerce (USCC) and the National Association of Manufacturers (NAM), which expressed hostility to Medicare, were accurately representing the views of their full membership—much less the business community as a whole. For instance, a number of state chambers of commerce did not apparently sign a statement of opposition to Medicare, and only a third of NAM members in their "Eastern division" specifically indicated that they were against government coverage of the elderly. Moreover, only a few industries joined the USCC and NAM in their diehard, public resistance to Medicare, and many of these were industries composed of small businesses, such as the restaurant industry (pp. 12–13).

Swenson interprets his findings as evidence that there was actually "great diversity of opinion within business on Medicare." The "preponderance of

1. Peter A. Swenson, "Misrepresented Interests: Business, Medicare, and the Making of the American Health Care State," *Studies in American Political Development* 32 (April 2018): 1–23. In his sketch of what he characterizes as the "class conflict" argument about the formation of the American welfare state, Swenson points to work by Theda Skocpol, *Social Policy in the United States: Future Possibilities in Historical Perspective* (Princeton, NJ: Princeton University Press, 1995), 237–38; Walter Korpi, *The Democratic Class Struggle* (London: Routledge, 1983); Gøsta Esping-Anderson, *The Three Worlds of Welfare Capitalism* (Princeton, NJ: Princeton University Press, 1990), 17–19, 21–22; Jacob Hacker and Paul Pierson, "Business Power and Social Policy: Employers and the Formation of the American Welfare State," *Politics and Society* 30, No. 2 (June 2002): 277–325.

https://doi.org/10.1017/S0898588X1900004X Published online by Cambridge University Press

evidence" in his view indicates that "'big business' . . . did not oppose Medicare." Indeed, there is "scattered evidence of quiet support from the large corporate sector," and such evidence should be given considerable credence because it fits the particular way in which the economic interests of large employers were evolving at the time. Opposition to Medicare was concentrated primarily among "small, lower-paying businesses" who had economic reasons of their own in mind (p. 4).

Swenson's article clearly casts a number of key questions in the study of business and American political development into sharp relief, and it makes a fitting point of intellectual departure for this *SAPD Forum*, which consists of essays by Christy Ford Chapin, Mark S. Mizruchi, and David E. Broockman, as well as a response by Swenson himself.

Chapin, Mizruchi, and Broockman—historian, sociologist, and political scientist, respectively—are distinguished students of business and politics. The *SAPD* editors asked each of them to contribute an essay that uses Swenson's article to discuss some of the broader issues that they see it as implicating.[2]

Chapin's essay explores Swenson's insistence on the importance of incorporating economic interests into the analysis of business and politics. Chapin argues in an evocative turn of phrase that "markets make politics," examining how insurance companies became central to our health care system and why they continue to remain central. Grappling with the varying role of physicians, large and small insurers, multinational corporations and small businesses, Blue Cross and Blue Shield, employers who were already providing health care insurance, and employers who were not, she makes the case that "each business bloc's economic position . . . was the factor that most decisively determined its political stance," and she credits business politics for influencing not only the passage of health care legislation per se but also the broad design and consequential intricacies of the programs that such legislation authorized (Chapin's quotations are from p. 4 and p. 5 of this issue).

In the second essay, Mizruchi considers how business views of the welfare state have changed since the postwar period. Although he thinks that Swenson's essay more convincingly demonstrates "business neutrality . . . than outright support" of Medicare, he nevertheless concurs that large American corporations did once exhibit a "moderate and pragmatic approach" to a range of social and economic policies, including health care policy (Mizruchi's quotations are from p. 18 and p. 20 of this issue). Out of a sense of enlightened self-interest, groups like the Committee for Economic Development (CED)—whose membership included the heads of big companies—expressed support for high wages, civil rights, and a robust social safety net. But Mizruchi argues that such views are rare in the business community nowadays. If anything, opposition to government-run programs of any kind is now far deeper and broader among American companies, and Mizruchi wonders whether their ideological leanings will prevent them in the end from supporting serious reform, no matter how compelling the economic interest.

In the third essay, Broockman lays out a detailed set of concerns about Swenson's interpretation of the evidence, and he is not persuaded that there is much evidence of either "enormous division within business" on Medicare or "a great deal of support from large and powerful corporations (p. 1)." In a 2012 article published in *Studies*, Broockman had argued that a short 2006 essay by Swenson had given insufficient consideration to "the problem of preferences" (or the tendency of political actors to strategically misrepresent their true policy preferences) in analyzing the politics of Medicare, leading to the drawing of incorrect conclusions.[3] In his essay for this *SAPD Forum*, Broockman maintains that Swenson's work in "Misrepresented Interests" continues to underplay the strategic context in which business groups were expressing their policy preferences; Broockman also contends that Swenson's evidence of business support is limited and his interpretation of it strained. In making his case, Broockman expresses agreement with Swenson that "there clearly can be value in trying to understand what is in political actors' economic interest." But he also raises a serious theoretical and methodological caution, arguing that analyzing the economic interest of political actors is "rarely straightforward." In many cases, he argues, it is "eminently more feasible" to focus on identifying their "revealed preferences" instead (Broockman's quotations are from p. 31 and p. 35 of this issue).

Swenson's response sets his interests (as a student of comparative politics) into perspective before moving on to engage each of his interlocutors in turn. In his discussion of Chapin's essay, Swenson devotes special attention to the American Medical Association (AMA) and makes the case that it should be understood as a business organization no less than the Health Insurance Association of America. We also learn something about when, how, and why the AMA took on such an organizational form. In his response to Mizruchi's essay, Swenson grapples with why the CED was silent about Medicare in the 1960s and spoke out on the

2. Anthony S. Chen took the lead on putting this *SAPD Forum* together, soliciting the comments and providing editorial input to the authors. Eric Schickler was recused from involvement because he was one of Broockman's graduate advisors.

3. David E. Broockman, "The 'Problem of Preferences': Medicare and Business Support for the Welfare State," *Studies in American Political Development* 26 (October 2012): 83–106; Peter Swenson, "B is for Byrnes and Business: An Untold Story about Medicare," *Clio* 16 (June 2006): 3, 39–43.

https://doi.org/10.1017/S0898588X1900004X Published online by Cambridge University Press

issue of health care only in the 1970s. Here, too, economic reasons are foregrounded. Swenson's response to Broockman is just as spirited and detailed as Broockman's comment on Swenson's essay. Swenson also reflects more broadly on challenging questions about the kinds of evidence and analysis that are needed to identify the policy preferences of sophisticated political actors such as business—and he relates his views on the evidentiary approach and standards that scholars should apply when analyzing such questions.

No single collection of articles—no matter how eminent the contributors—can settle every question that it raises. This one is no different. But our hope is that this *SAPD Forum* will help to refine the thinking of our readers who are interested in continuing the conversation about how business has figured into American political development.

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