



## Review Symposium: Business and Populism: The Odd Couple? By Magnus Feldmann and Glenn Morgan

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### Book reviewed:

**Business and Populism: The Odd Couple?**, Feldmann, M. and Morgan, G.  
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### Business and Populism: The Odd Couple?

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In recent years, political events such as the election of Donald Trump or the success of the Leave campaign in the UK's Brexit referendum have sparked a revival of the study of right-wing populism. As a result, sentiments in public opinion indicating

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electoral support for right-wing populist parties (e.g.: Norris and Inglehart, 2019), the content of the political programs of actors that have been identified as populist (e.g.: Mudde, 2017) as well as the structural conditions, in which populist parties become electorally successful (e.g.: Ballard-Rosa et al., 2021) have been explored intensely. Against this background, it seems surprising that little has been said about the relationship between populism and business elites in the context of the global rise of populist parties and actors. Identifying this important gap in research, Magnus Feldmann and Glenn Morgan offer a long-overdue contribution to the field by providing a collection of essays which systematically analyze the impact of populism on business.

Driven by the empirical puzzle that some populist leaders mobilize anti-business rhetoric while making pro-business policies when in power, the book showcases a myriad of well-selected cases, which highlight a variety of populist policymaking and how business elites respond to challenges and opportunities. The authors use several conceptions of populism in tandem with Mudde's definition of populism as a thin-centered ideology (Mudde, 2021). According to this, populist programs are not associated with a distinctive program, but instead evolve around core elements. These core elements may look different depending on the political orientation of the populist actor. This definition allows the authors to analyze a wide range of cases under the umbrella of right-wing populism and its effect and impact on business. What unites all these cases, the authors state, is that they can be viewed as part of the global populist turn in the first decades of the twenty-first century (Tugal, 2021). The edited volume thus comprises political analysis based on historical examples of populist politics such as Mizruchi and Galan's take on Trumpian populism, a brand of populism that intertwines 'the people' and 'the nation' as Baltz suggests, the rhetorical division of 'the people' and 'the elite' as a performative act in the case of Brexit, among many other takes of what exactly is populist in the cases presented in this book.

While these accounts highlight valuable insights into the complexity and multifaceted nature of the recent rise of populist actors, this variety begs the question of how much analytical value remains in using the term 'populism'. Put differently, these cases and their analysis might stand equally valid and relevant, even if they described different dimensions of nationalism, economic nationalism, anti-system politics, or simply the result of right-wing political actors, who are usually in opposition, coming into power. Some scholars have argued that the constant construction of opposition between 'the people' and the 'empty signifier' (e.g.: Laclau, 2005) is nothing else but a way of mobilizing political identification, which is nothing specific to "populist politics", but political discourse more broadly. Structurally, the unifying moment these cases share has been identified in a crisis of liberal market systems. In response to this, 'anti-system politics' (Hopkin, 2020) arose describing the logic of anti-business discourse or the rhetorical critique of businesses as elites. Therefore, the book raises questions about whether the broad definition of populism really captures the specificity of what makes these cases populist.

To classify different business responses to populism, the book utilizes Albert Hirschmann's long-standing concepts of exit, voice and loyalty (Hirschmann, 1970). This approach is particularly helpful in understanding this complex and global



phenomenon in a more systematic fashion. The concept as well as the further development through Feldmann and Morgan assumes that markets enable participants' choices; in adverse scenarios, participants thus can exit the market or the commitment to a particular product, can voice concern in the hope of improvement and/or remain loyal over a period. The extension of this framework is convincing and well-applied across cases. This, however, raises questions about the role of agency within business responses to populism: are these choices as open as suggested by Hirschmann's framework and Feldmann and Morgan's extension?

The choice to exit, voice, or remain loyal might be bound to structural determinants. This dimension is of course not completely absent in the book. The authors point to several scenarios by which exit or loyalty can be voluntary but also forced by policy initiatives. Similarly, implicit loyalty is often the key strategy for firms in times of uncertainty as it was in the case of Brexit. The authors show that smaller firms heavily reliant on local or national markets might not have the same option to exit as bigger firms. As exemplified by the chapter on Brexit, there is a clear identification of how the nature of particular sectors and markets were differently affected, thus narrowing the likelihood of specific choices. For instance, in manufacturing especially multinationals chose to exit or partially exit similar to the financial industry. This suggests that the size of the business and its structural determinants in terms of liquidity, profit, or the number of employees might affect the choice to exit, voice or remain loyal. As such, the dimension of inequality among businesses and power relations on the market has been indirectly discussed but not explicitly examined within this framework. In addition to providing an important contribution to the study of populism, the book thus outlines several important and intriguing avenues for future research.

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### Review of *Business and Populism: The Odd Couple*, edited by Magnus Feldmann and Glenn Morgan

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Clocking in at 384 pages, *Business and Populism: The Odd Couple* is a large collection that defies easy characterization. Its 17 chapters written by a total of 22 authors are organized into two main sections. The first section comprises a set of country studies, with chapters on the United Kingdom, the United States, Denmark, Italy, Poland, Hungary, Romania, India, the Philippines, and Brazil. Section two shifts the register from a geographical focus to a thematic one, with chapters on climate change, business associations, interest representation, trade, and plutocracy. What gives the collection coherence is the focus on the relationship between populism and business, with business represented in the book both as a collective actor (i.e. industry groups and employers' associations) and as individual firms. Editors Magnus Feldmann and Glenn Morgan largely follow leading scholars of populism in defining it as a mode of politics that rests centrally on the distinction between the elites and the people. Populists claim to speak for a 'virtuous people' that has been betrayed and exploited by a 'corrupt elite,' and they may do so from the political left or the political right. It is the latter variety that is the focus for Feldman and Morgan precisely because it represents, for business, a less familiar and thus potentially more disorienting challenge. The central questions orienting the volume are how business is implicated in the construction of 'a corrupt elite' by right-wing populists and how it responds.

In the introduction, Feldmann and Morgan draw on their earlier article in *New Political Economy*, mobilizing Albert Hirschman's well-known framework of exit, voice and loyalty to analyze how business reacts to the threat that right-wing populism may pose to business interests. Loyalty is understood as active support, which may be either implicit or explicit; exit as withdrawal or divestment (or the threat to withdraw or divest); and voice as involvement or engagement, which, like loyalty, has two forms: quiet and loud. This five-fold typology (exit, soft voice, loud voice, implicit loyalty, explicit loyalty) is not an analytical



thread pulled through the volume by the individual contributors but it provides an overarching schema that nicely underscores both the agency that business has vis-à-vis populist challenges from the right and the varied ways in which businesses respond—a theme that emerges with particular clarity in Daniel Kinderman's chapter on business associations. While emphasizing this variation, if Feldmann and Morgan were pushed to identify a modal response by business to the early 21st-century populist wave, I suspect it would be somewhere between quiet voice and implicit loyalty.

Having learned a great deal from the book, I nevertheless continue to grapple with a few questions that the editors might address in their contribution to this symposium. First, what might *Business and Populism* tell us about left-wing populism? The editors are on firm ground when they explain their interest in right-wing populism is motivated by the fact that we know less about how business relates to populist movements on the right, whereas there is a long track record of businesses responding to and organizing against the presumably more clear and present danger than left-wing populism presents. Yet left-wing populism looms over the book as an implicit comparison that goes largely unrecognized. Perhaps the clearest position on the distinction between right- and left-wing variants of populism is offered by Brooke Harrington in her chapter on the plutocracy: "This chapter explores the historical context and implications of the asymmetrical merger of commercial and political elites in right-wing populism. There is no left-wing equivalent of these fused interest groups" (p. 337). Yet even considering the crucial differences between these political forms, are there insights that this collection offers for understanding the relationship between business and left-wing populism? Could the exit, voice and loyalty framework be similarly generative for understanding responses to threats from the left?

Second, to what degree is populism from the right really a threat to business? Unlike the issue of left-wing populism posed above, the threat that right-wing populism poses for business is a theme that many of the book's contributors engage in, but the overall conclusion remains somewhat unclear. In the concluding chapter, Feldmann and Morgan discuss two kinds of threats: the risk of uncertainty—that is, a business environment lacking stability and predictability—and policy decisions that adversely impact business interests. To some degree, these threats may be difficult to disentangle given populism's nature as a performative mode of politics; to advance their project, right-wing populists need to construct an elite whose predatory corruption threatens the people, but this rhetoric may not be reflected in policy. While populist leaders are invested in eliding the distinction between anti-elite rhetoric and actions that adversely affect business, the distance between what is said and what is done may be more obvious to those targeted by such rhetoric. To the extent that the disjuncture becomes a fairly reliable feature of populist politics, it becomes baked into the environment in which business is operating, thus mitigating Feldman and Morgan's first threat: the heightened risk posed by uncertainty.

Third and finally, how should business respond to right-wing populism? The book provides rich material to address this question but ultimately suggests that the answer depends on context. On the one hand, there is evidence, mostly from Europe, that an organized response by business can effectively forestall threats from policies



promulgated by populist leaders and their allies. On the other hand, the chapters on the United Kingdom acknowledge that voice can be counterproductive—for example, British business found voice a risk strategy when they became implicated in the political struggle between pro-EU politicians in Britain and beyond, who touted the merits of EU membership, and Brexit campaigners, who used such arguments to stoke a ‘people versus the elite’ framing of the issue. In the United States, a discourse critical of woke capitalism can be found on the left (where it is regarded as cynically commercial), but it has become particularly prominent on the right, as exemplified by Florida Governor Ron DeSantis’s campaign against Disney. In the aftermath of the U.S. Supreme Court’s decision to overturn *Roe v. Wade*, a growing list of companies from Starbucks to Reddit announced their intent to support travel expenses for employees traveling out of state to seek abortion services. *Business and Populism* leaves its reader with much to think about, including the possibility that a corporate voice of this sort might fuel the people versus the elite narrative that sustains rightwing populism. If so, are there strategic options beyond Hirshman’s triptych that businesses can use to resist being enlisted in such a construction?

## Business and Populism: The Odd Couple

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Do business elites matter when it comes to populism, in particular on the extreme right? Although there has been proliferating literature on a plethora of topics related to populism, comparatively little has been written on how right-wing populist extremes deal with business, and even less on how business elites respond. *Business Elites and Populism*, co-edited by Magnus Feldmann and Glenn Morgan, thus fills a major gap in the literature on populism by exploring not only how extreme right populism deals with business but also how business responds in a wide range of cases and countries across a number of key themes. It demonstrates that there are no easy generalizations to be made, but it nevertheless develops analytic categories and interaction mechanisms that are extremely helpful in getting a grip on the problem.

The very rich, wide-ranging empirical chapters in the book show that whereas business may be united against left-wing populism, right-wing populism engenders complicated trade-offs. On the downside, business elites were frequently the target of populist rhetorical attacks. They experienced disruptions to stable expectations about economics and regulatory rules as populist governments up-ended previous policies. They found their ‘quiet politics’ of close relationships with policymakers and technocrats undermined by populists engaging in the ‘noisy politics’ of blaming business elites, questioning expertise, and demonizing the ‘deep state’. They suffered from interference with needed flows of immigrant labor as populists attacked these as threats to cultural identity and national homogeneity. And they worried about the loss of export markets as a result of populist moves toward protectionism. On the upside, however, business also gained advantages from populists’ across-the-board market-friendly measures that reduced regulatory scrutiny, granted massive tax cuts



for corporations and the wealthy, made tax evasion easier, increased spending in certain areas, or created advantages for government-friendly businesses through clientelist networks. Moreover, often populist leaders' rhetoric was 'performative', with a bigger bark than bite.

The theoretical discussion by Feldmann and Morgan in the introduction and conclusion on the logics of business responses to populism provides a framework for empirical insights. Their theoretical approach adapts Albert O. Hirschman's exit, voice, and loyalty to the specifics of business responses to extreme right populism. In elaborating on Hirschman's formula, Feldmann and Morgan argue that loyalty serves as a signal of business support to populists, whether voluntary or coerced, expressed through explicit allegiance or implicit acceptance of entrenched populist regimes, and based on normative commitments and/or expectations of material benefits. They describe voice as business' (infrequent) loud use of 'noisy politics', generally before populists gain power, or (more usual) soft use of 'quiet politics' to respond to populist politics and policy. And they define exit as business choosing disinvestment, whether voluntary or forced, whether full, partial or temporary. Many of the case studies pick up on these analytic categories to great effect, showing how the theories play out in practice in a diverse range of ways.

The book thus offers a ground-breaking theoretical perspective on business responses to the populist extreme right. Arguably, the one thing missing is a more systematic theorization of how populists themselves engage with business. A brief illustration of such a systemization, building on the book itself, would involve considering populist engagement with business in terms of what I have called the "four M's" of populism: message, messenger, medium, and milieu. In terms of the messages, what jumps out most clearly is that the style and content of the messages are largely the same in terms of us vs. them, anti-elite political style and nationalist, identitarian content. Only on the economics are there significant differences: some populists are markedly neo-liberal and pro-globalization (Bolsonaro in Brazil), others support anti-globalization and protectionism (Trump in the US); and some don't even favor lowering taxes (Danish People's Party). Regarding the messengers, although most tend to be charismatic leaders, they differ not only with regard to backgrounds—from marginalized politicians to billionaire businessmen—but also governing style, with some (e.g., Trump and Modi) engaged in a much more personalistic (and unpredictable) politics than others. Leaders' close advisors may equally be key players, by strategizing winning campaigns and/or taking major roles in government (e.g., trade policies in the US or finance in Brazil). In terms of the medium, moreover, social media were key to the rise of many populist parties, whereas others benefited from the support of friendly TV channels owned by billionaires (e.g., Murdoch in the UK and the US), or by government cronies (Hungary). Finally, the milieu is naturally fundamental, since contexts matter not only in terms of the robustness of democratic institutions or the organization of the economy but also whether populists are on the outside, in opposition, or in power. And in power, much also depends upon whether they do what they say.

Perhaps this kind of theorizing of populists' approaches to business could make up the next book? In any event, as it stands, the book constitutes a major achievement which will remain the definitive volume on business and its relationship to populism for years to come.



## About the author

Vivien Schmidt is Jean Monnet Professor of European Integration in the Pardee School at Boston University, and was founding Director of BU's Center for the Study of Europe. Her latest book is: *Europe's Crisis of Legitimacy: Governing by Rules and Ruling by Numbers in the Eurozone*.

## The passion or the interest? Deepening our understanding of business and populism

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## Book reviewed:

### Business & Populism. The odd couple?

Glenn Morgan & Magnus Feldman

Morgan and Feldmann's book "Business & Populism. The Odd Couple?" constitutes a most valuable contribution to the emerging literature on the political economy of populism. The editors and contributors to the volume provide a wide range of illuminating country cases and thematic chapters with rich material and analyses that enhance our understanding of the relationship between business and right-wing populism.

As the subtitle of the book makes it clear, the premise is that there is potentially something puzzling or counter-intuitive about the relationship between business and right-wing populists. Business and populism form an "odd couple"—or do they? The chapters of the book seem to reach quite different conclusions on this point.

Why would business and right-wing populists be an odd couple? In the introduction, the editors explain that the rise of right-wing populism creates a dilemma for businesses: On the one hand, right-wing populists often rhetorically attack corporations (e.g. when they move jobs overseas) and adopt policies that hamper cross-border flows of capital, goods, services, and people on which businesses rely. On the other, right-wing populists often adopt deregulatory, anti-welfare state, low tax, and anti-environment policies that business may quite like. Right-wing populists' policy agenda therefore potentially affects business *interests* in contradictory ways.

The stated goal of the contributions to the book is to understand 'the varieties of right-wing populism and the responses of different sorts of businesses' (p.13). All contributors apply (to various degrees) a theoretical framework based on Albert Hirschman's distinction between exit, voice, and loyalty, which the editors have expanded in previous work to distinguish loud from soft voice, as well as explicit from implicit loyalty (Feldmann & Morgan 2022).

Unsurprisingly perhaps, a consistent finding across chapters is that businesses behave (implicitly or explicitly) loyally to a right-wing populist government when





they see an immediate economic benefit from doing so. They may voice (soft or loud) opposition when they fear a negative impact of populist policies on their business.

This finding indicates that businesses and right-wing populists are not that odd a couple in most cases, but rather often have sufficiently aligned interests to get along. This is the interest-based explanation of business-populism relationships, which is based on the assumption of interest driven behaviour—made most explicit perhaps by Doering and colleagues who posit that businesses are guided by ‘narrow self-interest’ (p. 225) in their interactions with Bolsonaro’s government in Brazil.

Some chapters go further than that and suggest that business and populism are not just compatible, but rather that right-wing populism is a logical next stage in the development of “neoliberal” capitalism. Doering et al., drawing on the fashionable—but false (Schnyder 2022; Siems & Schnyder 2023)—theory of “authoritarian liberalism,” argue that the collaboration between authoritarian populist Jair Bolsonaro and his libertarian, free-marketeer Minister of Economics Paulo Guedes shows how a certain type of ‘economic liberalism does not need political liberalism’ (p. 235). Gomes and Böhm are more explicit still, declaring that in the case of populism and climate change governance, “right-wing populists and climate capitalism advocates are two sides of the same market-driven coin” (p. 256). In other words, there is nothing odd about the couple, because fundamentally “neoliberalism” shares with authoritarian populism the desire to reign in democracy to promote unfettered markets.

Yet, other chapters do not easily fit explanations of interest alignment between right-wing populists and business. Curran and Eckhardt find that trade-dependent firms (TDFs) did surprisingly little to try and stop US protectionism, Brexit, or the decline of the WTO even though their interests were very directly at stake. The authors advance three possible explanations for this surprising lack of voice: Collective action problems, lack of know-how about lobbying, and—most interestingly—complacency (p. 319). Similarly, Kinderman’s chapter on German businesses’ reaction to the right wing *Alternative für Deutschland* (AfD) also hints at business responses to populists that do not conform to usual assumptions of interests and rationality. He cites Anderson’s (2019) book on Brexit which quotes an observer stating that ‘I had never seen business leaders respond with such emotion. Business is supposed to be a rational act’ (cited on p. 263).

These accounts hint at a second way—beyond *interests*—in which business and right-wing populists may be expected to form an “odd couple.” Right-wing populism is associated with affects, emotions, and irrationality, while business is expected to be the voice of reason. Thus, Wyatt considers Narendra Modi’s rejection of expertise and evidence-based policy-making a defining populist feature of the Indian Prime Minister (p. 188). Takagi’s chapter on Duterte underscores the role of a *rational* technocratic administration in bridging the divide between an irrational populist politician and a business elite dependent on ‘rational socio-economic management’ (p. 218).

Harrington’s fascinating chapter on transnational plutocrats draws a stark contrast between the irrational people and a rational commercial-political elite. On her account, while the fake populism created by a wealthy financial rentier elite leads



people to (irrationally) vote against their interests, the elite uses populism strategically and rationally when it suits their interests.

This division between the passions and the interests is an intriguing aspect of the book, which remains, however, underexplored. Here another book by Hirschman may provide ways of deepening the discussion on business and populism that the book stimulates. In *The Passions and the Interests*, Hirschman (1997[1977]) argued that part of the appeal of capitalism in the seventeenth and eighteenth centuries was its promise to replace medieval and absolutist behaviours driven by passions like pride, ambition, ferocity, or avarice with a purportedly more civilised and benign rational pursuit of material interests. Capitalism thus was meant to tame irrational passions. May the rise of right-wing populism constitute a more profound epochal challenge to capitalism rather than just a realignment of interests? Right-wing populists have unleashed the passions once again. They offer their voters a political agenda and a rhetoric that dispenses them of reason; and allows them to express unfiltered emotions; unhampered by notions of civility, tolerance, or indeed truth.

Like most researchers on populism, contributors to the book acknowledge the dual nature of voter preferences as being determined by (rational) material interests *and* by (non-rational) cultural factors. But what if we applied the same logic to business and allowed for businesspeople—just like voters—to be subject to both rational and irrational behaviours? Akerlof and Shiller (2009) have reminded us of Keynes's (1936) insight that economic actors—far from being driven by coolly calculated self-interest—are subject to 'animal spirits' too. This may add an important—largely neglected—dimension of the study of business and populism. It may further enhance our understanding of how businesses—such as Mike Lindell's MyPillow Inc.—behave when faced with right-wing populists, without us having to resort to construing indirect, and long-term interests.

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## Business and Populism: A Response to the Reviewers

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We are grateful for the excellent and thoughtful reviews by Valentina Ausserladschneider, Jennifer Bair, Vivien Schmidt and Gerhard Schnyder, which highlight the importance of studying business and populism and the wide range of topics that would still merit further research. As noted by Ausserladschneider, this agenda is complicated by definitional challenges and the varied manifestations of populism, which raises questions about the utility of the concept. Given the importance of these phenomena and the widespread use of the term, we believe that it is important to study populism as a specific mode of politics and not just reduce it to other concepts, like nationalism and/or authoritarianism. Teasing out this distinctiveness, whilst acknowledging the complexity and diverse manifestations of populism is part of the reason why the book is structured both in terms of the experiences of different countries and in terms of central over-arching themes. This kind of complexity and variation also characterizes many other important and essentially contested social science concepts, like democracy.

Bair invites us to reflect on the significance of a key aspect of this complexity, namely the lessons of our analysis for understanding left-wing populism. While the book does not explicitly examine left populism, we believe that the modified exit, voice and loyalty model that we developed could be used to examine left-wing populism as well. There are examples of each of these strategies in the case of Venezuela under Chávez and Maduro, with the so-called *boliburguesía* that has benefited from the Bolivarian revolution displaying considerable loyalty and support to them, whilst foreign multinationals, large landowners and privately owned corporations have been predominantly squeezed out (cases of voluntary and involuntary exit) even whilst business interests and business associations inside and outside the country have played a significant role in voicing opposition to left-wing populism in Venezuela (Cannon 2014). Even less extreme forms of left populism present a more



significant challenge to business than right wing populism as they often threaten nationalization or expropriation of key industries that in their view are failing to serve ‘the people’. One might expect, therefore, a more unified response from big business both inside and outside the country to left-wing populism, including threats of exit, disinvestment and lock-out from international financial markets depending on the level of threat. The consequences of such responses may range from high levels of inflation, undermining middle class savings, and the growth of unemployment, to generous uplifts in benefits for the poor, though these could ultimately be undermined by the worsening economic situation brought about by falling business investment. Nevertheless, as with right-wing populism, there is significant variation in how the interaction between left-wing populism and business plays out ranging from the Venezuelan example to other forms of Latin American left populism (e.g. Mexico and Argentina) where business and populist governments have evolved more complex forms of conflict and accommodation. Similarly, this may be compared to the impact of left populisms inside coalition governments in Spain and Italy as well as their role in Greece and other EU contexts. As Bair suggests, further exploration of these examples of different varieties of left-wing populism and their relationship with business would complement the analysis in our book.

Bair also raises a potential challenge to the framework when she asks whether we overstate the importance of uncertainty given that businesses may already factor in the discrepancy between rhetoric and policy in populist governments. As the volume highlights, the degree of uncertainty generated by particular populist governments varies greatly and yet is endemic in all the countries analysed due to the centrality of the populist leader and their whims and the rejection of intermediary institutions that might constrain populist initiatives. Further, as Schnyder points out, this reflects a fundamental disjuncture in that populism as a movement is about unleashing passions, primarily through the leader but also by motivating followers; this can be contrasted to the more rational and goal-oriented approaches of most businesses. In these terms, the uncertainty created by populists is ultimately existential for business. Even if particular outcomes may benefit them, uncertainty is inherent to populism, and businesses may find themselves suddenly attacked for a variety of economic and cultural reasons as the populist leadership pursues its goal of representing ‘the people’ against ‘the elite’. Of course, business actors’ ability to navigate such uncertainties is shaped by structural determinants such as market position, the degree of internationalization and sectoral characteristics, as Ausserladscheider notes, but these do not fully determine business responses. There is some scope for individual agency and choice or even CEO activism, at least for companies that have greater autonomy to act thanks to privileged structural positions (Feldmann and Morgan 2021). Such actions may reflect commitments made by individual executives and even, as Schnyder suggests, *their* passions that are not immediately related to core business goals.

Schmidt raises another key challenge for future work, namely the need for examination of populists’ engagement with business. The book has highlighted the range of different populist strategies and policies in different contexts, but as Schmidt suggests, there is more work to be done on identifying and explaining the differences in populist approaches to business. To what extent are they shaped by ideology,



economic conditions, long-standing political alliances or strategic use of agency and discourse in the context of particular opportunity structures? Schmidt's (2022) 4 Ms (message, messenger, medium and milieu) provide a very useful analytical framework for examining these important questions. This might also entail examining the particular strategies populists use for engaging with business by building alliances, maintaining dialogue, actively courting their support or even creating loyal businesses whilst cowing others. Taken together, the four reviews confirm the importance of further research on these pressing issues.

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