

3. BUSINESS-FIRM PARTIES

Miloš Brunclík

CONTEXT

1. Growing professionalization of election campaign
2. Growing importance of political marketing
 - A. Panebianco- electoral-professional parties: growing reliance on outside actors and experts
3. Personalization of politics
 - „one man show parties“
 - Leader is program – e.g. Heinz Christian Strache



THE PERSONALISATION OF POLITICS IN THE UK

MEDIATED LEADERSHIP FROM ATTLEE TO CAMERON



ANA INÉS LANGER

CONTEXT

4. Growing anti-partisan sentiment
5. Dealignment
6. Political entrepreneurs (USA, Italy...)

Politics perceived through business's lenses

Ability to direct parties as a firm



POLITICAL ENTREPREN EURS

Perceive politics as a business arena

Policies, program, pledges = marketing tools

1. Wealthy billionaires entering the politics
Protecting and supporting their business interests
1. Politicians without significant wealth

BUSINESS- FIRM PARTIES

■ Common traits to

■ Catch-all

- Program flexibility

■ Electoral-professional party

- outsourcing

■ But

- Little orientation on interest groups
- Private resources



**VARIOUS
CONCEPTS:
A.
KROUWEL:
BUSINESS
FIRM PARTY
CLUSTER**

- 1. Entrepreneurial issue parties (Harmel and Svasand 1993):**
 - 1. Established by a charismatic leader**
 - 2. Outside politics origins**
 - 3. Issues and program come exclusively from the leader**
 - **Examples: Anders Lange's Party for a Strong Reduction in Taxes, Duties and Public Intervention (1972), Progress Party in Denmark (1972)**
- 2. Von Beyme: parties of professional politicians**
- 3. Kenneth Carty: franchise organizations**
- 4. Hopkin, Jonathan, and Caterina Paolucci (1999): Business-firm party: most developed concept**

**JONATHAN
HOPKIN
AND
CATERINA
PAOLUCCI
(1999):
BUSINESS-
FIRM
PARTY**

- **In countries with short or interrupted democratic tradition**
 - New democracies (e.g. Spain)
 - Traditional democracies with party crisis (e.g. Italy)
- **Low party system institutionalization**
- **Parties with short tradition**
- **Weak parties**
- **⇒ greater role and power of leaders**
- **⇒ unstable electoral gains**
- **But difficulties for brand new parties**
 - » room for wealthy entrepreneurs

BUSINESS- FIRM PARTY: MAJOR TRAITS

Low level of institutionalization and little interest to increase it

Low interest in mass membership and coherent electorate

Outsourcing of partisan activities

Voters perceived as consumers of politics

Extremely important role of the leader

- Political entrepreneur
- High level of centralization of decision making on policy

Lack of official ideology + great degree of policy flexibility

- Polls, surveys, atmosphere in public

BUSINESS FIRM PARTY

Rational choice theory (e.g. Mancur Olson) in private sphere - applied on politics

- **Private firms seek customers and private profit x public sphere (public profits/benefits)**
- **Political entrepreneurs use this private-driven logics to politics**
- **Parties under the pretext of public concern seek own private profits**
- **= public policy = „by-product“ (Olson)**

Politics = business strategy

- **Political program = outcome of demand and supply**

PROS AND CONS

Quick
decision
making

Policy
flexibility

Charismatic
leader

Vulnerable

Lack of
ideological
anchor

Undemocrati
c

Clash of
interest

Hide their
true raison
d'être

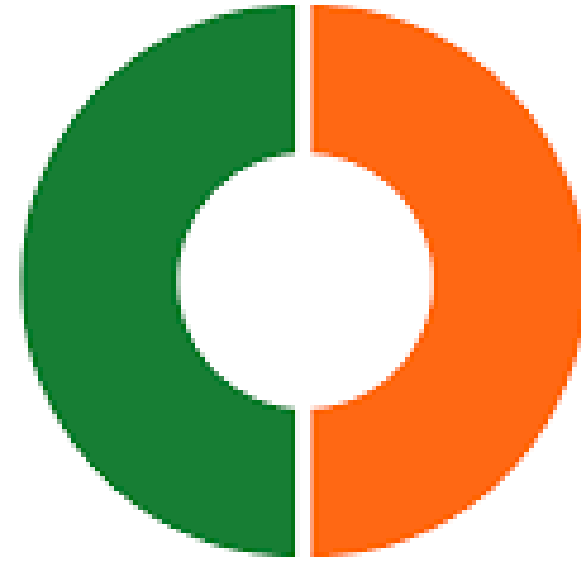
TWO TYPES

1. The party which works as a firm

E.g. Union of the Democratic Centre (Spain)

2. The firm, which turned into a party

E.g. Forza Italia (Italy)



**UNION DE
CENTRO
DEMOCRATICO**

UNION OF THE DEMOCRATIC CENTRE

- result of Adolfo Suárez's need to establish a political vehicle to continue his premiership after elections 1977
- recruited
 - Individuals
 - parliamentary candidates
 - possible rivals
- coalition of small Liberal, Christian Democrat and Social Democrat groups associated with the moderate opposition to Franco and groups of reformist functionaries from the Movimiento (the Francoist single party)

ORIGINS OF THE PARTY

- »» coalition of diverse ideological backgrounds made possible by 2 factors
 1. Broad agreement over the need to support Suárez's transition strategy
 2. Suárez's extraordinarily powerful position

ADOLFO SUÁREZ

1. unrivalled popularity in the 1976–77 period
2. achievement in creating the conditions for a negotiated democratisation
3. »» able to offer access to public policy influence in return for political support
4. Suárez's control over an unreformed state apparatus
5. »» overwhelming electoral advantages:
 - unlimited access to state television, good contacts in the Movimiento, easy access to campaign funding, and exclusive use of the opinion polling expertise in the state opinion research institute
 - Suárez - almost exclusive control over these resources

PARTY POLICY

- **1977 candidate lists for the elections - fully controlled by Suárez**
- **1977 campaign**
 - **Avoiding ideological slogans**
 - **Image A. Suárez**
 - **Reformism**
 - **Need to integrate all sectors of society in a new political system**
 - **Modernization discourse**
- **Original coalition of parties was dissolved**
 - **Highly centralized leadership**
 - **No opponent and alternative**
 - **Despite rhetoric no genuine interest in mass membership**

„IDEOLOGY“

■ Ideological flexibility

Great room for maneuvering

Rejections to accept a clear ideology

„ideologies are synthetic creations. They close out options. We want to be open and see no reason why we need an ideology.(...)The party is where its voters are.“



CAMPAIGN

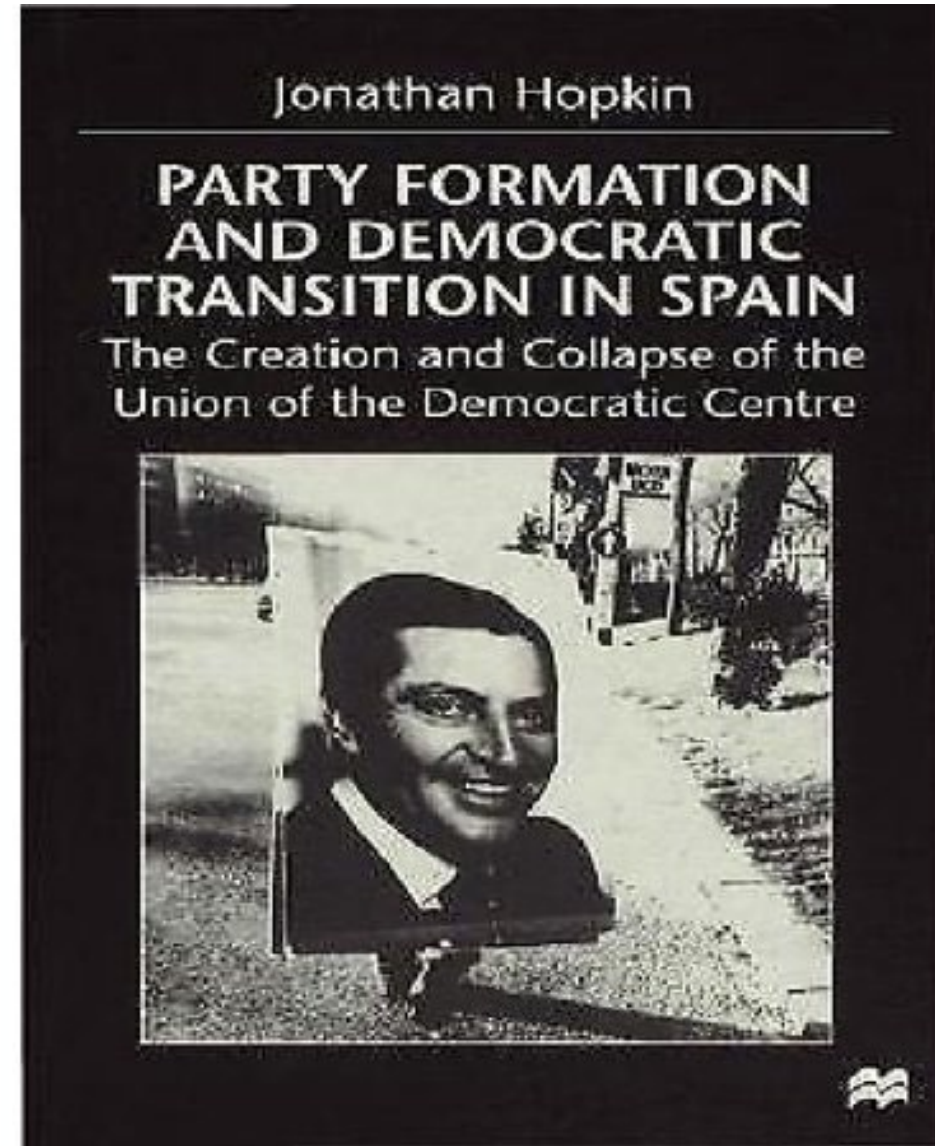
- **1979 elections: professionalized campaign**
 - **Modern' American-style campaign techniques employed**
 - **publicity agencies and media consultants**
 - **instead of political rallies, youth and children's festivals and concerts with pop musicians**

CRISIS 1979

- **crisis as a result of Suárez's series of political successes**
- **Suárez's government came under political pressure in the face of**
 - **aggravation of the economic crisis**
 - **intensification of political violence in the Basque Country**
- **»» major weakness of the business-firm party**
 - **lack of ideological orientation and its eagerness to attract superficial support from broad sectors of society**
 - **» difficulty in setting coherent objectives for political action**
 - **» no firm ground**

CRISIS 1979

- political debate changed
 - moved from very general issues of democracy and the reform of the state to divisive issues of economic policy, administrative reorganisation and social reform
- » UCD incapable of sustaining a coherent political line
- » all sectors of its electorate disillusioned by its refusal to provide a political lead



PARTY COLLAPSE (1982-1983)

Losing voters

Lack of clear party procedures

Lack of clear positions

Lack of firm roots in the society

UCD replaced by People's Party

CONCLUSIONS - UDC

weak electoral links = party
vulnerable to the consequences of
short-term political failures

- refusing to establish and protect a core electorate, parties deny themselves the cushion of loyal voters which can help parties survive periods of crisis

Deideologisation

- if taken too far, can disorient the party and make coherent collective action impossible

CONCLUSIONS - UDC

strengthening of leadership
authority makes parties dependent
on their leaders

party finances dependent on ad
hoc contributions from varied
interest groups

- **unstable form of finance**
- **Business sectors who backed UCD in 1977 and 1979 withdrew their support in protest at Suárez's refusal to follow their instructions on economic policy**
- **→ fundamental cause of internal conflict**

Forza Italia

- Window of opportunity:
 - Crisis of the Italian politics: Mani Pulite
 - Collapse of the Italian party system
- Silvio Berlusconi
 - A wealthy billionaire with close ties to the former PM Bettino Craxi (1983-7)
 - A significant media owner (Mediaset group), popular TV stations
 - 1986 bought AC Milano
- 1994 Forza Italia established
 - 3 months prior to the elections
 - Established from Fininvest (a huge business group)
 - Fininvest's managers and marketing – key role to the FI success
 - Top-down management of the party

Forza Italia

- Major aim: to protect business interests of Fininvest
 - debts
 - Risk: a new left-wing cabinet would undermine Fininvest dominance among commercial TVs
 - In the past: collaboration with B. Craxi, but Mani Pulite
- In public:
 - Combating corruption
 - Eliminating incompetent politicians

Forza Italia

- Significant resources:
 - Media
 - Money
 - Expertize (marketing know-how, surveys)
- Top-heavy party
 - Strongly centralized
 - Weak membership
 - Power-less grassroots and medium-level organisations

Ideology

- Unclear, but right-wing conservative leaning
- Manifesto elaborate by Giuliano Urbani
 - Limited state and bureaucracy
 - Lower taxes
 - Support for running business
 - Anti-communism
 - „shopping list“ character