



Stuck in Neutral: Business and the Politics of Human Capital Investment Policy by Cathie Jo Martin

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His examples of an SMO are the Natural Resources Defense Council and the Sierra Club. As Shaiko's work aptly demonstrates, the assumption that such organizations represent and/or mobilize social movements is extremely dubious.

Moreover, it is unclear why Libby chose his case studies. According to my reading, broadly based movements existed in only two of his cases: the Philip Morris initiative and the reauthorization of the Endangered Species Act. The other three cases appear to involve only particular interest groups seeking to influence public policy through initiatives or the legislative process.

Also, Libby's use of the label "expressive" to identify certain interest groups is somewhat perplexing. It appears that an expressive interest group is simply one that takes a leading role on certain public policy issues, whereas groups that are only supportive earn the label of SMO. These labels are not analytically useful, and the label of SMO again serves to obfuscate.

In conclusion, the strength of Libby's book is his comprehensive and informative treatment of the case studies. In particular, his description of the events surrounding the failed attempt to reauthorize the Endangered Species Act is original and illuminating. He also draws some interesting generalizations about the tactics used by interest groups as they seek to influence policy formulation. Nevertheless, *Eco-Wars* only makes a limited contribution to our general understanding of interest groups, social movements, or the political influence of either of these entities.

Stuck in Neutral: Business and the Politics of Human Capital Investment Policy. By Cathie Jo Martin. Princeton, NJ: Princeton University Press, 2000. 262p. \$49.50 cloth, \$19.95 paper.

Sandra L. Suárez, *Temple University*

Cathie Jo Martin makes a novel contribution to our understanding of business preferences and political behavior. She argues that a considerable number of American firms strongly support "human capital investment" initiatives, such as national health care, training, child care, and family leave policies. Large employers' support for these policies, however, has failed to translate into legislative support. In order to understand why big business has not been able to promote the enactment of human resource policies, Martin proposes an institutional analysis of corporate preferences. In so doing, she opens the black box of business in order to understand its public policy interests.

Martin's explanation of business behavior challenges the interest-group and class-based approaches, which generally assume that economic motivations offer a complete explanation of business preferences and political activity. Martin points out that corporate preferences are problematic. Firms operate in an uncertain economic and political environment, and answers to important questions are not obvious to corporate managers. Still, to argue that there is a great deal of corporate support for national social policies goes against the *laissez-faire* thinking that is hegemonic in corporate circles and is contrary to the perception that big business has been responsible for the limited scope of welfare policies in the United States. Hence, it is important to offer a more nuanced understanding of corporate preferences.

Martin argues that business managers' support of human capital investment policies depends on their "corporate policy capacities," which she defines as the organizational facilities for "gathering, processing and disseminating technical arguments about social initiatives" (p. 11). Corporate policy

capacities have three components: private policy professionals and their position in the corporate structure, which may be important influences to corporate managers and may change their attitudes toward social policies; participation in business associations, which may also shape corporate preferences; and policy legacies in the form of failed private attempts, which may increase managers' support for government intervention, especially if the issue at hand can be linked to other issues of importance to the firm.

The book contains persuasive empirical evidence in the form of case studies and quantitative data. Martin conducted a large number of interviews with business managers, policy experts, and public sector employees. In one case study—health care reform—she examines the significance of institutional factors in shaping firm preferences regarding Clinton's national health reform initiative between 1993 and 1995. Martin finds that economic concerns led many firms to become interested in health care reform, but firms that participated in groups seeking collective solutions or firms with government affairs offices in Washington were more likely to support employer mandates than firms that obtained their information from health insurers, for example. Martin's qualitative analysis convincingly demonstrates that such institutional factors as corporate structures and group memberships are important determinants of the political position of a firm. The quantitative analysis of the data obtained from 59 *Fortune* manufacturing and service firms is somewhat less persuasive, although still informative. For example, she operationalized internal policy expertise depending on "whether or not the company had a government affairs office in Washington, D.C." (p. 104). If, as she says, such institutional factors as the position of a policy expert within the firm are important, having a Washington office in and of itself does not necessarily imply expertise in all policy issues.

In addition to an analysis of business preferences, Martin provides a sound explanation for why and how certain social issues become more salient for firms than others. In particular, she examines how corporate managers have dealt with training and work-family issues. She finds that training typically (1) fell under the jurisdiction of human resource departments, which enjoy a close relationship with the companies' own government affairs departments; (2) was associated with education reform; and (3) was deliberated at the National Alliance for Business, which also promoted legislative action on the issue. By contrast, a work-family issue such as child care (1) was dealt with by newer departments or by outsiders to the firm, (2) was associated with the feminist movement, and (3) could not count with a national organization bringing together business and government to promote a common position. Hence, child care issues have not been altogether neglected by business, but they have been tackled at the community and not the national level.

After examining preference formation and issue saliency, Martin explores why big business support for human capital investment policies (as measured by polling and interview data) did not translate into firms' collective participation in the legislative process. She finds that the corporate policy capacity of big business varied a great deal among training, health, and work-family issues, which had important consequences for the political outcomes of these initiatives during the Clinton administration. Martin explains that one reason most of these social initiatives failed was that small firms, which cannot afford to maintain an individual presence in Washington and are forced to rely on their representative associations, were able to communicate their opposition to social policies more effectively than big business was able to convey its support.

Martin's analysis fills a theoretical void in the interest group literature and invites further research to establish a dialogue with other social scientists concerned with preference formation, especially organizational sociologists. Her case studies convincingly demonstrate that the way business preferences are formed can have important implications for the success or failure of social policy initiatives in the United States. Plotke has shown that when big business is able to develop a common position it has an enormous capacity to influence the political discourse (David Plotke, "The Political Mobilization of Business," in Mark P. Petracca, ed., *The Politics of Interests*, 1992). Martin persuasively shows how difficult it is for big business in the United States to adopt common positions and formulate a political strategy in the realm of social policy. *Stuck in Neutral* is a must read for scholars of welfare state politics, policymaking in the United States and abroad, and business and government relations at the local, state, and federal level.

Controlling Technocracy: Citizen Rationality and the NIMBY Syndrome. By Gregory E. McAvoy. Washington, DC: Georgetown University Press, 1999. 184p. \$55.00 cloth, \$18.95 paper.

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The emergence of the United States as a postindustrial society has led to an increasing array of social and political problems that confound government's ability to make and implement policy decisions. One is what may be termed the "democracy and technocracy quandary." The United States faces many policy problems that are highly technical and increasingly scientific in nature, including genetically engineered foods, habitat restoration for dwindling salmon runs, and the regulation of second-hand tobacco smoke in public settings. At the same time, the United States is a democratic system that has experienced over the past several decades a noticeable growth in distrust of government and increasing public demands for citizen involvement in governance, especially in the environmental policy arena.

The concern is that the relationship between participation (democracy) and scientific expertise (technocracy) is mutually exclusive. On the one hand, placing too much emphasis on science and expertise as the ultimate determinants of policy outcomes risks the erosion of democracy. On the other hand, too much democracy (i.e., direct involvement of citizens in policymaking and implementation) may relegate technical and scientific information to a peripheral role and increase the probability that complex problems will either be ignored or addressed in a suboptimal manner.

Gregory McAvoy provides a well-written and timely investigation of the tension between technocracy and democracy in the context of hazardous waste policymaking. Hazardous waste siting involves complex issues in which substantial amounts of technical and scientific information are critical to the decision-making process. Identifying an acceptable location to store and/or process hazardous waste often leads to the not-in-my-backyard (NIMBY) syndrome from potentially affected communities. The book presents an interesting case study of two northern Minnesota counties (Koochiching and Red Lake), where affected communities and citizens challenged the state's siting decision.

The book is well grounded in the relevant literature and

offers a useful, albeit very brief, theoretical framework that can be used to analyze other policy processes in which the NIMBY syndrome is prevalent. In addition, a major strength of the book is its reliance on both qualitative and quantitative data to investigate elite and citizen motivations and preferences concerning waste siting policy. Elite and citizen interviews as well as public opinion surveys provide strong support for the arguments presented. McAvoy also is careful to identify any potentially unique cultural and political features of Minnesota that may bias the results. Nevertheless, he makes a convincing argument that his case study is applicable to other environmental policy processes involving complex technical expertise.

McAvoy challenges the notion that policy "experts" and "elites" should be accorded a privileged place in the policy process and that citizens are "overly emotional and self-serving, and therefore unable to participate in politics in a way that will allow society to achieve its best interest" (p. 90). He argues that citizen participation in the policy process is desirable for two reasons. First, it provides "legitimacy to democratic governance"; second, it leads to good policymaking because it "requires all participants to justify their technical assumptions and implicit and explicit value judgments" (p. 141). He further argues that democratic decision making should be seen as an important feature of managing complex and highly technical policy issues, such as hazardous waste siting.

This book is especially timely because of recent developments in the environmental and natural resource management arenas. The growing embrace of ecosystem management (EM) in the United States elevates the role of science as a tool for understanding environmental problems and policy issues. Yet, central to EM efforts are calls for more innovative, decentralized institutional arrangements that require government managers at the regional or local level to integrate not only the interests of other agencies that have adjacent jurisdictional and policy responsibilities but also the concerns of private citizens. EM acknowledges the limits of top-down regulatory approaches to environmental and natural resource management and recognizes that more effective alternatives require complex, collaborative partnerships among diverse government, civic, and business actors at the state/provincial and local levels. In this light, McAvoy's defense of citizen participation in the hazardous waste context has broader application to other developments in environmental and natural resource policy processes.

One aspect of the book that could have been further developed is the level of knowledge citizens actually have about the risks associated with hazardous waste and its proper disposal. Including some indicators of policy-relevant knowledge in the citizen surveys would have strengthened the multivariate analyses and potentially McAvoy's argument that citizens do have the capacity to understand and participate in complex policy issues and that the NIMBY syndrome is not necessarily the product of emotions and selfishness.

Overall this is an interesting and clearly written book that makes an important contribution to our understanding of how citizens can mobilize and influence environmental policy processes. Given the content, length, and price of the paperback version, it would make an excellent supplemental text for senior or graduate courses in environmental politics and policy.