

Class, Race and Corporate Power

Volume 10 | Issue 2

Article 3

2022

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Recommended Citation

Banerjee, Tarun (2022) "Class, Sectoral, or Self-interest? The Collective Action of Large Manufacturing Firms in Response to Protest," *Class, Race and Corporate Power*. Vol. 10: Iss. 2, Article 3.

DOI: 10.25148/CRCP.10.2.010588

Available at: <https://digitalcommons.fiu.edu/classracecorporatepower/vol10/iss2/3>

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Abstract

When social movements protest large corporations, are they taking on just the targeted firm or is their target part of an organized sector or the larger corporate class? Put differently, are large corporations purely atomistic entities or are they collective actors, organized at the level of their sector or the capitalist class? Extant research finds class-wide networks often unify the political behavior of connected firms, including in their responses to protests. Yet, other studies find the declining significance of these networks, suggesting the corporate class is now fractured. Given the mixed findings, a key aspect of the debate has remained understudied: the shift to narrower sectoral coalitions that are neither indicative of a fractured business nor a unified class. This study assesses the impact of class-wide and sectoral networks in unifying the response strategies of Fortune 500 corporations targeted for protest over six years. I test the influence of business-wide policy networks against the trade association network for manufacturing firms. Results suggest that large corporations are not fractured, atomistic actors nor are they constrained to sector-level organizing. Rather, while sectoral differences do exist, class-wide networks continue to unify the responses of firms across sectors.

Keywords

Business unity, Marxist sociology, corporate networks, policy organizations, social movements, protest

Introduction

When large corporations are protested by social movements, what underpins the targeted firms' responses? A key factor in this dynamic is whether firms forge their responses in isolation or collectively with other firms. While a rich body of work finds that class-wide networks unify the political interests of firms across industries, almost no studies explicitly test these networks against industry- or sectoral-level collective action; and few assess whether the network ties of firms shape their response strategies to the social movements that challenge them.

To address this, my case is firm responses to social movement protests over 6 years (2005-2010), a period that fracturing theorists argue business is incapable of class-based collective action. I assess whether two response strategies of firms—to concede to protest demands and/or to retaliate against protestors—are driven by their class-wide social ties, their sector or division-specific ties, or by features internal to the firm. While I find that important sectoral differences remain, these appear largely a result of structural equivalence: firms responding in similar ways as a result of shared structural interests. Organizing at the sectoral level (through the trade association network) only sporadically unites the behaviors of connected firms. Instead, organizing through class-wide networks more consistently unifies the behaviors of firms, including those across different sectors and industries. These findings suggest that although sectoral differences remain, large corporations are not simply atomistic or fractured actors, but remain members of an organized capitalist class.

Theory: Three Contrasting Perspectives

In broad strokes, a long-running debate over business collective action has unfolded over the last half-century. On one hand, “business unity” scholars, inspired by power elite and Marxist theorists, emphasize that when it comes to major political matters, large businesses are capable of sustained collective action as a class. Compelled to make sense of an uncertain environment, businesses forge social ties to each other, primarily through shared board of director membership and participation in policy-planning organizations. In turn, the networks formed help firms put aside competitive pressures and engender a more unified business class (e.g., Barnes 2017; Dreiling and Darves 2011; Domhoff 1990, 2006[1967]; Mintz and Schwartz 1987; Mizruchi 1992; Murray 2017; Murray and Jordan 2019; Staples 2008; Useem 1984). Importantly, the unified interests are seen as the result of collective action and not simply the confluence of each firm's atomized interests. I.e., it is not merely isomorphism, or the tendency of firms operating in similar environments to independently arrive at similar behaviors (DiMaggio and Powell 1983).

Yet this view has detractors. A “business disunity” approach instead emphasizes the ways in which large corporations operate in competitive environments and are concerned with political outcomes as they relate to the individual firm. Any collective action seen is temporary and largely the result of a confluence of individual interest rather than the development of a shared, collective interest. This is typically the view of management scholars who see corporations as “utility maximizers whose interests derive from organizational or industry-wide economic circumstances” (Dreiling and Darves 2011: 1523). Most recently, a body of work argues that business has become fractured over time. Pointing

to key changes in the institutional bases of classwide action dating to the 1970s—including the shift from commercial to investment banking and the rise of the shareholder movement—theorists posit that business today is no longer capable of the kinds of collective action it once was (Mizruchi 2013; Waterhouse 2014; see also Davis 2009). In keeping with this, Chu and Davis (2016) found that the cluster of well-connected “inner circle” directors had shrunk markedly over ten years (2000 to 2010), with additional studies finding a declining influence of these ties in a variety of instances (e.g., Benton 2019; Benton and Cobb 2019; Mizruchi, Stearns, and Marquis 2006). If, as Chu and Davis conclude, the “established understandings of the effects of board interlocks...no longer hold”, the collective interests long-understood as held by capitalists may have given way.

Finally, a third school sees business neither as largely unified nor fractured but stresses the sectoral bases of collective action. Arguing that intra-business divisions and factions routinely occur, most notable is the “business conflict” model (see Cox 2014, 2019; Falkner 2017; Gibbs 1991). Theorists show that sectoral differences often result in business taking a range of competing positions on policy, including in their support for regional trade agreements (Cox 1995, 2014), global environmental standards (Falkner 2017), and U.S. policy (Cox 2014; Gibbs 1991). A closely aligned framework is Ferguson’s (1995) “investment theory of politics”, which holds that businesses and interest groups invest in parties and elections seeking political returns, much as they would expect in the for-profit arena. The competing interests result in discrete political blocs within business, and these help account for factions both within parties and the political landscape at large. For instance, studies confirm sectoral factions played a role in a development of the New Right of the 70s and 80s, in business divisions over the Trump administration (Ferguson et al 2018), and sectoral differences in access to the various branches of government (Cox 2014).

In ways, the sectoral framework seeks to bridge the pluralist and Marxist approaches of the other two schools. As Skidmore-Hess (2019) notes, business conflict shares “[some] convergence with pluralist analysis in that [it] adopts sectoral groups, rather than classes, as its unit of analysis.” Yet they share with Marxist and power elite theories an understanding of the outsized weight that capitalists have over the state and policy, while aiming to strike a balance “the apparent paradox of simultaneous business conflict and capitalist hegemony” (ibid; see also Falkner 2017). Together, these offer three expectations that business responses to social movement demands are shaped largely by firm-specific features, sectoral dynamics, or class-wide organizing.¹

The Argument

In this paper, I argue that business retains the ability to organize across sectors and industries, thus supporting a key element of business unity theory. In doing so, I contest the fracturing thesis that business is incapable of organizing collectively in political matters. At the same time—as anticipated by the business conflict perspective—I find that sectoral differences do indeed matter. The arena of operations a firm exists in both shapes its responses to protest as well as the similarity with which firms respond (i.e., some industries are more unified than others). However, I also find that sectoral differences are largely a result of structural

¹ None of these argues that firms operate solely at a specific level; rather, they are differentiated by the emphases placed on the different logics of collective action.

equivalence, not collective organizing: I find that while operating in similar sectors and industries often unifies behavior, explicit organizing through the trade association has little such effect. In sum, these results provide support for the unity perspective while also serving as reminder that sectoral dynamics continue to matter.

Theoretical Framework

I next justify three key aspects of the framework of this paper—its focus on sectoral dynamics, the policy network, and firm responses to social movement demands—before turning to the method section and results.

i. Taking sectoral dynamics seriously: While we have three broad outlooks towards business collective action, the debate around business fracturing has tended to remain confined to the first two: business is seen as either a unified class or a divided body incapable of meaningful collective action. To the author's knowledge, no network analytic studies on fracturing formally test the impact of sectoral-level collective action, or assess the impacts of class-wide networks alongside sectoral networks. Instead, because director and policy networks connect firms across different sectors and industries, there is an assumption that the unifying effects of these networks must be indicative of a class-wide logic. The approach has been to measure industrial similarity through the numbers of shared industries between pairs of firms (e.g., Banerjee 2020; Banerjee and Murray 2015, 2021; Dreiling and Darves 2011; Murray 2017). Yet this does not let us explore if some industries show more unified behaviors than others. Further, it accounts only for structural equivalence brought about by shared industry, not industry organizing specifically. It may be that firms well-connected through class networks are also linked through industry associations, thus driving the unifying effects of class networks seen in some studies.² For business unity expectations to hold, corporate networks must not only unify firms across sectors but enable firms to transcend sectoral organizing specifically. And for this, we need to assess how class-wide networks hold up against sectoral networks.

ii. Centering the policy-planning network: Most research on fracturing has focused on the board-of-directorate network (e.g., Chu and Davis 2016; Dreiling and Darves 2011; Murray 2017). While studies find the network thinning and often declining in significance, I theorize that policy organizations continue to play the role of identifying and then unifying the political views of large corporations (see Barnes 2017; Banerjee 2020; Burris 2005; Domhoff 1990, 2006[1967], 2015). As a result, fracturing studies may be missing a key element of the unity of contemporary business. Formed when members of firms share leadership positions on a variety of major policy organizations, the policy network continues to involve the

² Consider the Grocery Manufacturer's Association (GMA), a trade association analyzed in the present study (see method section for data sources). Formed to advance the interests of those in food and beverage manufacturing, the leaders of the GMA come from the very tops of their member companies. In 2010 (one of the years of this study), the Chair of the GMA's board was ConAgra CEO Gary Rodkin, with Kendall Powell, CEO of General Mills, as Vice-Chair. Yet, ConAgra and General Mills also interlocked with 5 and 10 other Fortune 500 corporations through shared directorates respectively, while General Mills linked to an additional 3 firms through leadership positions in the policy network (see Table 1 for list of policy groups considered). And in some cases, they linked to firms through both networks concurrently: ConAgra and McDonald's not only shared a director on their boards, but both were tied through GMA leadership as well. General Mills and Microsoft were similarly connected through both networks in that year.

majority of large corporations, with its influence in linking firms only increasing over time when compared with a variety of other firm networks (Barnes 2017; Murray and Jordan 2019).

The network is also insightful because it allows us to identify the spread of specific political strategies. While the director network is on its face value neutral (political orientations may emerge but are not expressly posited when firms form linkages), policy groups are by design formed to inculcate and foster particular ideologies (Domhoff 2015: 27; Judis 2001). This allows us to distinguish between various types of ideological networks and track these onto different firm behaviors. As I show below, firms linked to the conservative policy network act quite differently from those tied to the moderate-liberal network. Finally, focusing on policy networks also lets us more adequately distinguish the effects of class-wide political organizing from trade associations, which are also formed to identify and promote the interests of firms, though limited to those within industries (Aldrich and Staber 1988; Lawton, Rajwani, and Minto 2018).

iii. Collective action in non-institutional politics: Finally, extant research has centered institutional (especially electoral) politics, with a few studies on lobbying, ballot referenda, and Congressional testimony (e.g., Banerjee and Murray 2015, 2021; Burris 2005; Chu and Davis 2016; Dreiling and Darves 2011; Heerwig and Murray 2019; Mizruchi 1992; Murray 2017). We know much less about the collective underpinnings of firm behaviors in non-institutional politics. Business responses to social movements are a particularly relevant avenue to consider as it was strong movement presence (especially from the labor movement) that was partly responsible for forging an organized business to begin with. Mizruchi (2013) posits that business's ability to weaken labor and the interventionist state in the 1970s helped set the stage for fracturing today: no longer faced with these uniting threats, businesses were freed to compete with each other and pursue their atomistic interests. Yet, with few exceptions (e.g., Banerjee 2020; Banerjee and Burroway 2015), we have little understanding of whether business engagement with social movements is shaped collectively and whether firm networks play a role in their response strategies; with no studies analyzing sectoral organizing in this dynamic.

Responses to protest also provide a conservative test case against which unity expectations can be measured. Although fracturing theorists hold business is incapable of collective action as a class, sectoral theorists (especially business conflict researchers) allow for this possibility: theorists however stress class organizing is overshadowed by sectoral divisions and confined to sporadic matters of collective importance to business. The protests under study here make actionable demands to individual firms (see Banerjee 2020 for details) and in this constitute a reasonable case where we may expect firm-centric interests (or indeed competitive demands) to prevail. The finding that class-wide networks unify responses in this area consequently provide stronger support for the expectations of business unity.

Research Design

Analytic strategy

I incorporate the various perspectives into my analytic framework in the following way. I draw on organizational theory to identify relevant firm-specific factors that shape a firm's responses to protest. I assess sectoral factors both at the level of structural equivalence

(through shared sector of operations) and sectoral organizing (through the trade association network for manufacturing firms). I operationalize class-wide organizing through the policy-planning network. I further draw on the body of work that explores the ideological underpinnings of policy groups to construct two additional networks: those formed through moderate-liberal and conservative policy organizations (Table 1) (see Banerjee 2020; Berlet and Lyons 2000; Burris 2008; Domhoff 2006[1967]:28, 2015; Judis 2001; Peschek 1987). Finally, I draw on social movement theory to include a variety of characteristics of the protest to account for the pressures and demands placed on the firm.

Table 1. Policy planning organizations by ideology

<i>Moderate-liberal</i>	<i>Conservative</i>
Brookings Institution	American Enterprise Institute
Committee for Economic Development	Business Council
Council on Foreign Relations	Business Roundtable
Trilateral Commission	Chamber of Commerce
	Conference Board
	Heritage Foundation
	Hoover Institution

The unit of analysis is the dyad (a pair of firms) allowing us to test the effects of direct ties between firms on their likelihood of taking similar responses to protest demands (whether both firms conceded to demands and/or whether they both retaliated against protestors in some way). The logic of the analytic strategy here is that more similar protests against more similar firms are more likely to result in more similar responses from firms.

Sample

I employ two samples: the first consists of protests against publicly traded Fortune 500 corporations (and their wholly-owned subsidiaries) for 6 years, from 2005 to 2010. I use a sample of 420 protests against these firms generated through media coverage in a variety of national and regional newspapers (see Banerjee 2020 and Banerjee and Schroering 2020 for details on sample collection). This resulted in 6,637 dyads, formed when protested firms were matched with other firms targeted in the same year. The second is a sub-sample and concerns protests against manufacturing firms only. The reduced sample of 110 protests resulted in 644 dyads of protested firms following the same process as above. I chose manufacturing firms because they constituted the largest share of non-financial firms targeted in the sample, and because have a well-developed network of trade groups (Calvert 2015) that “play a major role in coordinating networks of manufacturers” (Elder 2012: 118). Finally, I chose the period of 2005-2010 to encapsulate a contemporary period during which fracturing theorists argue business has become fragmented.

Dependent variables

I explore two separate responses to protests – whether firms made *concessions* to demands, and whether they *retaliated* against protestors in some way. In both cases, I only considered substantive responses, excluding symbolic concessions (e.g., promises by the firm to examine an issue) and retaliations (e.g., a spokesperson dismissing the standing of protestors). I included concessions even if they were partial as long as they were substantive. For instance, a machinist’s strike was unable to deliver increased wages but was successful in eliciting increases in pension payouts, continued medical coverage for retirees, and a signing bonus. Substantive retaliations were those that caused more than symbolic harm to protestors in

some way (such as a firm hiring replacement workers after protests over cuts to wages and pensions) (see Banerjee 2020). For all pairs of protested firms, these resulted in two variables, coded 1 if both firms offered at least a partial substantive concession or if both retaliated substantively against protestors.

Independent variables

To determine *classwide organizing*, I looked at whether firm officials held leadership positions in 11 major policy organizations and further delineated them by whether these were moderate-liberal and conservative groups (see Table 1)³. This resulted in three dyadic variables: the total number of policy groups two firms shared a leadership role in, along with the number of moderate-liberal and conservative groups in which they shared these positions. To further explore the collective logics underpinning policy organizations, I delineated these ties into two sub-groupings: whether they were between dyads in the same industry or between dyads that didn't share any industries in common (determined by whether firms shared any 2-digit SIC codes). (See Banerjee and Schroering 2020 for data sources).

I assessed *sectoral organizing* through firm memberships in 15 manufacturing trade associations. I chose groups that were broad in scope (such as the National Association of Manufacturers) as well as those more focused on particular industries. Table 2 lists the associations used along with the industries represented. I used the trade magazine *Industry Week* to identify the associations in this sample. These were transformed into dyadic measures indicating the total number of trade associations both firms held membership in, along with two additional measures that delineated these ties by whether or not firms shared any 2-digit SIC codes.

To isolate the of impact of *industrial and sectoral structural equivalence*, I include a separate variable that counts the total number of industries shared by two firms (by 2-digit SIC codes). For the larger sample that was not limited to manufacturing firms, I also included a number of dichotomous variables for whether both firms were in the finance, retail, manufacturing, transport and communications, and services sectors. These represented the major division groupings of the most targeted firms in the sample.

Table 2. Manufacturing trade associations

Name	Industries represented
<i>Across manufacturing</i>	
National Association of Manufacturers (NAM)	All manufacturing-related
Association for Manufacturing Excellence (AME)	All manufacturing-related (focus on industry best practices)
The Association for Operations Management (APICS)	All manufacturing-related (focus on operations management)
MESA International (MESA)	All manufacturing-related (focus on operations management)
The Manufacturers Alliance (MAPI)	All manufacturing-related; additional members from transportation, telecom, IT services, gas, electric utilities

³ Since the Business Roundtable does not make leadership data available, I follow prior studies and use membership information instead. Where prior studies included the National Association of Manufacturers (NAM) amongst conservative police groups (e.g., Banerjee 2020), here I include NAM in the trade association network instead given its focus on manufacturing interests.

Specific industries

Aluminum Association (AA)	Primary aluminum, recyclers and semi-fabricated aluminum products; including suppliers
American Composites Manufacturers Association (ACMA)	Composites
American Iron and Steel Institute (AISI)	Steelmakers (including suppliers and customers)
Association of Equipment Manufacturers (AEM)	Agriculture, construction, forestry, mining and utilities
Biotechnology Industry Association (BIO)	Biotechnology
Can Manufacturers Institute (CMI)	Metal and composite can manufacturing (including suppliers)
Grocery Manufacturers Association (GMA)	Food production and related
National Electrical Manufacturers Association (NEMA)	Electrical manufacturing; including generation, transmission, control, and end-use of electricity
Rubber Manufacturers Association (RMA)	Tire manufacturing
Valve Manufacturers Association (VMA)	Valve and actuator manufacturing

Control variables

I use organizational and social movement theory to identify key controls relating to features of the firms and the protest. At the organizational level, I measured the similarity between firms in their i) political orientation (through their Political Action Committee (PAC) donations), ii) corporate social responsibility (CSR) profiles, iii) governance structures, iv) reputations, and v) size (see Banerjee and Schroering 2020 for details). I measured protest features, first, by assessing the financial costs of the protest: whether both firms experienced a decline in their share valuations in the aftermath of the actions. I calculated the Cumulative Abnormal Returns, a standard methodology to capture abnormal market valuations, and transformed these into dyadic variables that indicated whether both firms experienced reduced valuations (see Banerjee and Case 2020; King and Soule 2007). I also assessed the forms the protests took (e.g., whether they were marches, boycotts, strikes, and so on); the claims (e.g., whether relating to health benefits, advertising, product recalls, human rights violations, and more); and the actors involved (including, for example, workers, students, consumers). I used an extended codebook to measure a number of these factors and converted each of these variables into dyadic measures that noted the total number of protest forms, claims, and actors in common (see Appendix C in Banerjee 2020). I also measured whether both protests received support from government officials and whether they received similar coverage (operationalized as the total number of newspapers that covered both protests). In the interest of parsimony, I don't elaborate further on the operationalization and data sources for these variables, but see Banerjee (2020) and Banerjee and Schroering (2020) for more details.

Method

I used logistic Quadratic Assignment Procedure (QAP) regression to model the predictors of similarity of firm responses, using the software UCINET (Borgatti et al. 2006[1999]).⁴ As not all Fortune 500 firms were protested—and therefore not all possible dyads included in models predicting firm responses—I used Heckman’s (1979) 2-stage method to address sample selection bias,⁵ an established approach to addressing selection bias concerns in modeling firm responses to protest (e.g., Banerjee 2020; King 2008).

Results

I organize the findings in three sections: I begin by demonstrating the need for taking sectoral factors more seriously when studying the policy network. I show that firm linkages through the policy network vary by industry (Table 3) and are partly explained by trade association ties (Table 4). Next, I model firm responses to protest demands for the larger F500 sample (Table 5). I show that while there are different sectoral responses to protests, the policy network does indeed unify firm behaviors, and this occurs across- as well as within-sectors. Finally, to test the impact of sectoral organizing explicitly, I measure the impact of the trade association network for manufacturing firms (Table 6), though results show industry networks are only partially predictive of unified strategies. Together, these suggest that while there are important sectoral dynamics, these are confined to structural equivalence, so that firms in the same industry tend to have more similar responses resulting from shared positions in the economy. When it comes to collective action, however, the logic of unity is class-wide, supporting a major contention of business unity.

i. Sectoral dynamics in the policy network

Table 3 presents predictors of Fortune 500 firms sharing a tie through the policy network. Model (3a) predicts ties in the network writ large while the remaining models disaggregate this by the two ideological networks. As the data are over six years, I include lagged variables for whether the firms shared a tie in the previous year, which are (expectedly) strong predictors of continued linkages. Relevant for our purposes, we see numerous sectoral differences in the likelihood of firms to meet in the policy network and to cluster towards a specific network. Firms in some divisions are more likely to be connected through the moderate network only (finance and services), others through both networks (manufacturing, transport and communication), while some are less likely to be involved in either (retail). Although the reasons for these differences are beyond the scope of this paper,⁶ they confirm substantial differences in the policy network and suggest sectoral clustering may be at play.

Table 3. Logistic QAP regression predictors of firms sharing a policy tie (all industries)

Policy network (overall)	Moderate-liberal policy network	Conservative policy network
Model (a)	Model (b)	Model (c)

⁴ As the inclusion of each firm in multiple dyads violates the assumption of independence of cases, QAP provides a nonparametric method that accounts for this, giving unbiased estimates (Krackhardt 1988).

⁵ I computed the Inverse Mills Ratio (IMR), which can be viewed as the likelihood a firm is not targeted for protest, and included this in models predicting firm responses to protest demands.

⁶ It appears that firms in more capital-intensive industries cluster in the conservative network while those that are more labor intensive (retail and services) are less involved in the network at large or cluster in the moderate network.

Lagged network measures			
Policy ties	3.639*** 38.072		
Moderate-liberal ties		4.979*** 145.316	0.306*** 1.358
Conservative ties		0.182* 1.199	3.768*** 43.290
Industry Factors			
Industry similarity	0.037* 1.037	-0.340*** 0.712	0.032* 1.033
Finance dyad	-0.100*** 0.905	0.385*** 1.470	-0.102** 0.903
Retail dyad	-0.604*** 0.547	-0.928* 0.395	-0.594*** 0.552
Manufacturing dyad	0.506*** 1.659	0.516*** 1.676	0.510*** 1.665
Transcom dyad	0.202*** 1.224	0.513*** 1.670	0.204*** 1.226
Services dyad	0.088 1.092	0.741*** 2.098	0.048 1.049
Firm Factors			
Political similarity	2.484*** 11.984	1.389*** 4.012	2.544*** 12.730
CSR similarity	0.184*** 1.202	0.260*** 1.297	0.183*** 1.201
Governance similarity	0.160*** 1.174	-0.260** 0.771	0.169*** 1.184
Reputational similarity	0.394*** 1.483	0.426*** 1.531	0.404*** 1.497
Size similarity	0.421*** 1.524	0.638*** 1.893	0.397*** 1.487
R ²	0.325	0.252	0.334
N (dyads)	524,570	524,570	524,570

Note: a) The first number is the regression coefficient; the second is the odds ratio with QAP probabilities.
b) * Indicates $p < .05$, ** indicates $p < .01$, and *** indicates $p < .001$ for 1-tailed test.

Turning to manufacturing firms, (Table 4) shows that not just industry similarity but trade organizing are significant predictors of policy linkages (model 4a). Sharing a leadership position in the trade association network is associated with a 50% increased likelihood of manufacturing firms also meeting in the policy leadership network, the second largest predictor after political similarity (and excluding the lagged control). Although these appear to be driven by the conservative network (model 4c), this indicates that the unity seen in prior studies on the policy network may in cases be due to industry-level organizing.

Table 4. Logistic QAP regression predictors of firms sharing policy tie (manufacturing only)

	Policy network (overall)	Moderate-liberal policy network	Conservative policy network
	Model (a)	Model (b)	Model (c)
Lagged network measures			
Policy ties	3.080*** 21.759		
Moderate-liberal ties		4.015*** 55.414	0.122 1.130
Conservative ties		-0.053	3.231***

		0.948	25.293
Industry Factors			
Industry similarity	0.064**	-0.295**	0.070***
	1.066	0.744	1.073
Manufacturing ties	0.385***	0.176	0.396***
	1.471	1.192	1.485
Firm Factors			
Political similarity	1.739***	1.856***	1.726***
	5.694	6.396	5.618
CSR similarity	0.136***	0.425***	0.123***
	1.146	1.530	1.131
Governance similarity	0.131***	-0.668***	0.158***
	1.140	0.513	1.171
Reputational similarity	0.186***	0.375**	0.191***
	1.205	1.454	1.210
Size similarity	0.537***	0.681***	0.520***
	1.711	1.975	1.682
R ²	0.274	0.233	0.283
N (dyads)	72,366	72,366	72,366
Note: a) The first number is the regression coefficient; the second is the odds ratio with QAP probabilities.			
b) * Indicates $p < .05$, ** indicates $p < .01$, and *** indicates $p < .001$ for 1-tailed test.			

ii. Sectoral structural equivalence vs. class organizing (all targeted firms)

To disaggregate sectoral and class dynamics, I first assess the impact of policy ties and industry equivalence for all targeted firms (Table 5). The first two models display predictors of shared concessions with the latter two predicting joint retaliations. We see significant sectoral differences: firms in retail and services appear no different from other firms, while financial firms are less reactive overall (with lower concessions and lower retaliations). In contrast, firms in transport and communications are more likely to jointly concede while manufacturing firms are more likely to both concede and retaliate. The aggregate measure for industry similarity (the number of 2-digit SIC codes in common) is insignificant in all four cases. This may be unsurprising given the various sectoral measures included. Yet, business unity studies often account for industry unity only through such measures (e.g., Banerjee 2020; Dreiling and Darves 2011; Murray 2017), thus missing the possibility that the unifying effects of industry need not be the same for all sectors.

Table 5. Logistic QAP regression predictors of both firms conceding and retaliating (all industries)

	Concessions		Retaliations	
	Model (a)	Model (b)	Model (c)	Model (d)
Industry Factors				
Industry similarity	0.113	0.087	-0.436	-0.454
	1.120	1.091	0.647	0.635
Finance dyad	-1.519**	-1.486**	-0.906*	-0.949*
	0.219	0.226	0.404	0.387
Retail dyad	0.049	0.023	-0.609	-0.590
	1.050	1.024	0.544	0.554
Manufacturing dyad	1.111***	1.102***	0.377*	0.414*
	3.039	3.011	1.458	1.514
Transcom dyad	0.853***	0.838**	0.438	0.462
	2.347	2.311	1.550	1.588
Services dyad	-0.969	-0.961	-1.273	-1.270
	0.379	0.382	0.280	0.281

Class Factors				
All policy ties	0.100	-	0.919*	-
	1.105		1.206	
Moderate-liberal ties	-	1.615***	-	-1.427*
		5.029		0.240
Conservative ties	-	-0.302	-	1.104***
		0.739		3.017
Firm Factors				
Political similarity	0.972*	1.160**	-0.655	-0.766
	2.642	3.191	0.519	0.465
CSR similarity	-0.073	-0.081	-0.337***	-0.333***
	0.930	0.922	0.714	0.717
Governance similarity	0.661***	0.687***	0.390	0.374
	1.937	1.987	1.476	1.453
Reputational similarity	-0.624***	-0.648***	0.581**	0.591**
	0.536	0.523	1.788	1.806
Size similarity	-0.053	-0.028	-1.727***	-1.784***
	0.949	0.972	0.178	0.168
Protest Factors				
Negative share value similarity	-1.119**	-1.143**	-0.451	-0.443
	0.326	0.319	0.637	0.642
Form similarity	0.181	0.198	0.445***	0.431***
	1.199	1.219	1.560	1.538
Actor similarity	0.333*	0.325*	1.014***	1.035***
	1.395	1.384	2.756	2.814
Claim similarity	-0.075	-0.064	0.491***	0.490***
	0.928	0.938	1.633	1.632
Politician support similarity	2.246**	2.236**	1.460	1.481
	9.452	9.353	4.308	4.395
Coverage similarity	0.596***	0.586***	0.216	0.224
	1.816	1.797	1.242	1.250
IMR	2.122	3.116	-7.144***	-9.128***
	8.350	22.546	0.000	0.000
R ²	0.094	0.102	0.141	0.152
N (dyads)	6,337	6,337	6,337	6,337

Note: a) The first number is the regression coefficient; the second is the odds ratio with QAP probabilities.
b) * Indicates $p < .05$, ** indicates $p < .01$, and *** indicates $p < .001$ for 1-tailed test.

On the policy side, while the network as a whole doesn't predict concession strategies, disaggregating this by ideology (model 5b) reveals that ties through the moderate-liberal network increase joint concessions five-fold ($p < 0.001$). When it comes to retaliations, the modest positive effect of the larger network (model 5c) holds two contrasting effects: firms sharing moderate-liberal ties are ~75% less likely to jointly retaliate ($p < 0.05$) whereas those sharing conservative ties are 3 times more likely to do so ($p < 0.001$; model 5d). This supports the idea that the policy network not only shapes the behaviors of firms, but does so in ideologically identifiable ways. It is also important to note the effects hold after considering numerous measures of political similarity, including firms' PAC donation patterns, corporate social responsibility profiles, and governance structures. These results provide support that the political factors that unify action are not simply their internal profiles but extend to the collective actions of firms.⁷

⁷ These 'internal' features are likely of course to also be shaped at least partially through social dynamics.

iii. Industry organizing versus class organizing (manufacturing firms)

Finally, Table 6 presents shared response strategies for manufacturing firms. Models (6a) and (6c) indicate that the influence of the policy networks remains similar: manufacturing firms are about 10 and 5 times more like to concede ($p < 0.001$) and retaliate ($p < 0.01$) when connected through the moderate-liberal and conservative networks respectively. Shared trade association ties are also associated with more unified responses though these are limited to retaliations.

A key contention of business unity is that class networks help discipline industry and sectoral divisions. To get at this possibility, I disaggregate all networks into separate measures for whether they were within- or across-industry ties (Banerjee 2020). Models (6b) and (6d) confirm that the unifying effects of the policy networks are not limited to within-industry ties but extend across industries as well. Further, manufacturing ties remain nonsignificant whether between- or across-industries.⁸ These results provide additional evidence that the underlying unifying logic of collective action extends across industry divisions to unite the broader corporate class.⁹

Table 6. Logistic QAP regression predictors of manufacturing firms conceding and retaliating

	Concessions		Retaliations	
	Model (a)	Model (b)	Model (c)	Model (d)
Industry Factors				
Industry similarity	0.388	0.262	-1.258	-1.690
	1.475	1.300	0.284	0.185
Manufacturing ties	-0.355		1.054*	
	0.701		2.870	
<i>Manuf (across industry)</i>		-1.485		1.000
		0.227		2.718
<i>Manuf (within industry)</i>		0.326		1.285
		1.386		3.614
Class Factors				
Moderate-liberal ties	2.281***		-0.553	
	9.783		0.575	
<i>ML ties (across industry)</i>		1.755*		-0.473
		5.782		0.623
<i>ML ties (within industry)</i>		2.446**		2.704
		11.540		14.947
Conservative ties	-0.414		1.564**	
	0.661		4.778	
<i>Cons ties (across industry)</i>		-0.017		1.381*
		0.983		3.978
<i>Cons ties (within industry)</i>		-0.365		2.939**
		0.694		18.904
Firm Factors				
Political similarity	-0.858	-0.910	-2.670	-3.032
	0.424	0.402	0.069	0.048
CSR similarity	-0.402**	-0.362**	-0.356	-0.338
	0.669	0.696	0.700	0.713
Governance similarity	-0.190	-0.155	0.783	0.768

⁸ This is not the inevitable result of limiting analysis to the manufacturing sector. I find only 20% of these dyads shared any 2-digit SICs, indicating that was still sufficient industrial variation in the sector.

⁹ As a robustness test, I also computed treatment effects using propensity score matching on the network variables, which yielded similar findings (results available from the author).

	0.827	0.856	2.187	2.155
Reputational similarity	-0.388	-0.368	0.567	0.596
	0.678	0.692	1.762	1.814
Size similarity	-0.113	-0.053	-1.744**	-1.709**
	0.893	0.948	0.175	0.181
<i>Protest Factors</i>				
Negative share value similarity	-0.270	-0.167	0.752	0.776
	0.764	0.846	2.122	2.173
Form similarity	0.294	0.278	0.243	0.230
	1.342	1.320	1.275	1.259
Actor similarity	-0.050	-0.020	1.364**	1.390**
	0.951	0.980	3.913	4.015
Claim similarity	0.896***	0.890**	0.453	0.476
	2.450	2.434	1.574	1.609
Politician support similarity	1.554**	1.561**	0.228	0.223
	4.632	4.636	1.245	1.243
Coverage similarity	0.572*	0.562*	0.705**	0.719**
	1.751	1.736	2.023	2.051
IMR	0.362	0.074	-7.086*	-7.214*
	1.437	1.077	0.000	0.000
R ²	0.105	.111	0.100	.104
N (dyads)	644	644	644	644

Note: a) The first number is the regression coefficient; the second is the odds ratio with QAP probabilities.
b) * Indicates $p < .05$, ** indicates $p < .01$, and *** indicates $p < .001$ for 1-tailed test.

Discussion and Conclusion

Putting these findings together allows us to draw a number of inferences. There are indeed meaningful sectoral differences in firm unity. We see this in the sectoral clustering around the two policy networks (Table 3), the impact of industry similarity in firms sharing a policy tie (Table 4), as well as the differences that various sectors have on firms arriving on similar response strategies (Table 5). Yet, expectations of collective action at the sectoral level are not consistently supported. The trade association network has little ability to unify the responses of manufacturing firms (Table 6). The policy network, on the other hand, is associated with more unified behavior: whether the broader sample or manufacturing firms specifically, firms tied through the moderate-liberal network are more likely to concede while the conservative network has the reverse effect (Table 5). Further disaggregating these ties by whether they are within- or across-industry confirm that both types of ties unify action (Table 6). This lends broad support to the contention that while there is sectoral clustering in which networks firms are likely to enter, the axis of unification is not simply industry or sectoral based—i.e., what the policy network does is not simply unify firms in similar areas of operations, but across the broader class.

At the same time, large corporations are certainly not a unified bloc, and the policy effects suggest a bifurcation in the strategies of these firms. Yet this is not new. Burris (2008) shows how the dominance of right-wing ideology in the 1970s was reflected in conservative policy groups shifting to the center of the network, with the corporate liberals becoming peripheral. And these factions have in many respects always been the case. Whether it be New Deal politics, the Reagan years, or the contemporary period, scholars have long found factions between relatively moderate and conservative businesses around the minimum wage, tax rates, trade policy and more (e.g., Cox 2014; Judis 2001; Mizruchi 2013; Peschek 1987).

More broadly, capitalists have long been renegotiating their relationships to each other and collective alliances (Roy and Parker-Gwin 1999). In this respect, the existence of different ideological wings in capitalism—while consistent with some of the underlying arguments of the “business conflict” view—is not a defining feature of the fracturing thesis.

What distinguishes fracturing from business unity is the idea that large firms are incapable of transcending narrower alliances and that class-based collective action is nonexistent in the U.S. While it is certainly true that the typical network of study (interlocking directorates) has thinned and in many cases no longer plays its unifying role, several studies of the contemporary period find its continued importance. Moreover, as others have argued (Domhoff 1990, 2006[1967]; Murray and Jordan 2019), the policy network continues to exert a strong unifying force on the corporate elite, with its overlap in the larger world of inter-firm ties only increasing (Barnes 2017). This study provides one more example of the abiding influence of this network.

Consequently, this study extends research on the collective action of business in a few key ways. First, it suggests the unity and fracturing debate is deepened by accounting for sectoral dynamics more fully. Yet in doing so, it demonstrates that class-wide networks continue to unite firms after accounting for sectoral organizing, and that this unifying ability expressly extends to cross-sectoral ties. The study also expands the typical focus on institutional politics to the understudied case of business responses to social movements. And finally, in delineating the policy networks by ideology, it further enables ideologically distinct expectations that have been seldom considered in prior studies.

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