
Breaking Down Structural Power: understanding the inner working mechanisms of state-business power relations through the attempted abolishment of the Dutch dividend tax

M. Jouke Huijzer*¹, Milan Babic², Javier Garcia-Bernardo², and Diliara Valeeva²

¹Vrije Universiteit [Brussel] – Belgique

²University of Amsterdam [Amsterdam] – Pays-Bas

Résumé

Just like the breakdown of the Bretton-woods system gave impetus to a debate on the structural power of business over government, the financial breakdown of 2008 evoked a renewed interest in the concept of structural power. Informed by recent developments in global political economy, we reassess the original debates between advocates of both, structural and its counterpart instrumental power. We argue that structural power can be deconstructed to a set of direct or indirect instrumental power relations, whether real or perceived. As such we consider structural power to be an emerging property of a network of dyadic (instrumental) power relationships. Drawing from a recent special issue of *Business and Politics* on structural power (Culpepper, 2015), we attempt to overcome the often-strict separation of instrumental and structural power for the purpose of a careful theoretical reconstruction. We seek to understand these inner working mechanisms of structural power by careful analysis of the efforts of Dutch multinationals to abolish the dividend tax between 2004 and 2018. After lobbying for over a decade, the Dutch government decided to abolish the tax in 2017. This decision resulted in a year long debate about the abolishment and was almost unremittingly topping the political agenda. Yet, the government only decided to revoke the rule when the shareholders of the Dutch-British firm Unilever did not allow the company to move its headquarters to The Netherlands. Based on this example we show how the structural power of business was only effective as long as they had particular 'instruments' at their disposal - i.e. they could threaten to move HQs. Based on this example we point at various avenues for research that go beyond the methodological individualism advocated by Przeworski (1987) without getting trapped in the 'abstractionism' that structural power theorists were often reproached with. As such we hope our approach may contribute to a better understanding of state-business relations and aid in empirically break down structural power.

Mots-Clés: Structural Power, Instrumental Power, Race to the Bottom, Multinationals, State

*Intervenant