

The Threat of Exit: When Corporate Lobbying is Undemocratic

Abstract: While most agree that certain forms of corporate influence on democratic decisions is problematic, there's no clear consensus on exactly what makes them so. For instance, some argue that the problem is the amount of control that the corporation exerts, while others argue that such influence is only problematic when it subverts democratic aims. In this paper, we aim to accomplish two tasks. First, we show why extant accounts do not provide a satisfying explanation of this phenomenon. Second, we put forward an account that avoids the significant pitfalls of those that have come before. According to our account, what makes certain forms of corporate influence problematic is that they *create* the reasons that they are offering the public, which makes those reasons an act of power rather than deliberative reason-giving. The paradigmatic example is when a corporation threatens to leave a polity if it doesn't get its way. They are technically citing considerations that are important to the common good – e.g. loss of jobs and tax revenue – but they are also making those considerations manifest, which fails the democratic requirement for reason-giving.