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Article

The Silicon Valley imaginary: US corporate tax reform in the 1980s

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Abstract

How do policy paradigms change? This article demonstrates that changing social imaginaries about economic growth enabled paradigmatic changes in USA corporate tax policy in the 1980s. Based on archival sources, it reconstructs how policy makers switched from focused support for capital-intensive smoke-stack industries towards support for emerging high tech-sectors between two major tax-bills in 1981 and 1986. This switch was made possible by the emergence of what we call the Silicon Valley imaginary—the idea that sound economic policies stimulate the reallocation of society’s resources towards new economic fields. The emergence of this social imaginary resulted from political realignments and changing notions of economic growth and justice. The search for sources of future economic growth and societal coalitions led policy-makers to appropriate ideas about the promises of new industries.

Key words: economic development, imaginaries, knowledge economy, neoliberalism, Reagan, taxation

JEL classification: D72, D84, H25, H60, P16, Z13, Z18

1. Introduction

Tax policies are more than mere tools to finance the state. They are infused with fairness norms, shaped by societal power structures, designed on the basis of the behavioural expertise of the day and they try to encourage socially desired behaviours (Martin *et al.*, 2009). Hence, tax policies offer a site to study modern states’ attempts to influence social development in the economy and beyond. We study a radical turnaround in the history of post-war tax policy—the emergence of what has been called the neoliberal regime of corporate taxation in the USA (Swank and Steinmo, 2002)—in order to analyse how dominant imaginaries of a well-ordered economy and society changed during the 1980s.

Deviating from popular understandings of neoliberalism (Mudge, 2008), crucial developments in the field of corporate taxation across the OECD since the 1960s were not about roll-back, but about restructuring. While *effective* corporate income taxes across the OECD have mostly been steadily declining since World War II (Zucman, 2014, p. 132), the neoliberal sea change in corporate taxation took place in the domain of *how* states relieved corporations of their tax burdens. Throughout the post-war era, corporate tax regimes across the OECD were tailored to encourage manufacturing production in large capital-intensive plants (Swank and Steinmo, 2002). Notwithstanding considerable operational diversity, OECD countries' post-war corporate tax regimes consisted of rather high nominal tax rates for corporate income and extensive provisions for corporations to lower their tax burden through capital investment (predominantly through investment tax credits (ITCs) and write-off provisions). Since the early 1980s, rich capitalist democracies have shed considerable parts of this regime—they have successively lowered nominal rates, but in turn abandoned privileges for capital spending and investment (Swank, 2006). While there exists an extensive literature on the diffusion of this model since the 1980s (Ganghoff, 2000; Swank, 2006), its emergence has rarely been made the core subject of historical inquiry (Martin, 1991).

This article contributes to filling this gap, focusing on two key tax reforms under Ronald Reagan in 1981 and 1986. Although both reforms might be classified as 'business-friendly,' 'supply side-oriented,' and hence 'neoliberal,' they relied on fundamentally contrasting visions of what is good for business and the larger economy. We argue that the tax reform debates of the 1980s significantly contributed to the historical emergence of what we call the *Silicon Valley imaginary*—the idea that the economic well-being of rich capitalist democracies is contingent on them cultivating knowledge- and technology-intensive industries (borrowing from the notion of the *Silicon Valley consensus* as developed by Piore, 2018). We argue that the diffusion of this imaginary signified a shift in temporal orientations. Solutions to the economic troubles of the times were not to be found in the restructuring of existing industrial structures, but in their replacement with as-of-yet unknown products and services.

This article asks about the conditions under which imaginaries of economic growth change and why policy actors amended a manufacturing-focused imaginary with stories about the rise of the knowledge economy. We look at a critical juncture in which this transition took place and focus on a core policy field in which it became salient by comparing the genesis, structure and justification of two business tax cuts substantially devised by the administrations of Ronald Reagan. The analysis of the two tax cuts shows that they targeted different segments of American industry and relied on different understandings of economic justice. We document that this shift in economic governance objectives of the American regime of corporate taxation was critically shaped by a contest over ideas about the future.

Our case consists of a 6-year reform episode under Ronald Reagan in which his administrations spearheaded the passage of two large tax bills—the 1981 Economic Recovery Tax Act (ERTA) and the 1986 Tax Reform Act (TRA). Between these two reforms a considerable shift took place in the way policy makers perceived corporate tax reform in economic and social terms—and how they presented these tax reforms to society. We analyse archival material from the US Congress, the Carter Presidential Library, the Reagan Presidential Library and the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) Archive, supplemented with contemporary news coverage, to examine ideas and norms as defended by interest groups, policy elites and economic experts.

2. Prior state of the art, theory and research design

2.1 Theories of corporate taxation and the problem of paradigmatic policy change

The literature on the structure of corporate taxation is dominated by accounts emphasizing political power dynamics and resulting distributional struggles. Within this broader distributional view of tax policy, three approaches to the politics of corporate taxation since the 1970s can be distinguished.

The first is a public choice view in which special interests tend to perforate—collectively more legitimate and efficient—provisions to tax corporate income. In this view, corporate and capital tax reform is shaped by behind the scenes-battles between interest groups for loopholes and special privileges. Mirroring conservative critique of the New Deal Order (e.g. [Olson, 1982](#)), public choice accounts describe how the well-organized ‘few’ roll off their tax burden onto the disorganized ‘many.’ From this perspective, the two large Reagan tax bills appear as polar opposites. The Tax Reform Act of 1986 has been described as the beginning of a ‘new era of tax politics’ or as a case of ‘unclogging the arteries,’ as it appeared to close more special provisions than it opened ([Mucciaroni, 1991](#); [Witte, 1991](#)). The 1981 ERTA, by contrast, is understood as the ‘most strident *antireform* bill’ ([Witte, 1991](#), p. 443), as particularly its provisions for write-offs massively reduced corporations’ effective tax burdens. The depiction of the 1981 ERTA as a special interest bonanza is mirrored in accounts of the Reagan administration in political science. [Hacker and Pierson \(2010\)](#), for example, show that it was emblematic of American political institutions’ vulnerability to rent-seeking and the 1980s’ counterattack by business interests on post-war tax regimes.

Public choice accounts of the politics of corporate taxation have difficulties to explain policy reversal. If special interests were powerful in the 1981 reform, why were the tax credits suddenly truncated in 1986? A common tendency in the literature is to treat the 1986 TRA as an exception to the rule, explained by idiosyncratic events. [Murray and Birnbaum \(1988\)](#), for example, track the passage of ‘the bill that nobody wanted’ down to a handful of elite personalities and political tactics, if not to a single lunch around Republican Senator Robert Packwood (on the TRA as historical accident, see also [Mucciaroni, 1991](#)).

A second prominent approach to the politics of corporate taxation is a view of government trade-offs between growth and equality ([Okun, 1975](#)). Shifting fiscal burdens onto corporations’ or capital-owners’ income is generally regarded as an inequality-reducing move, while reducing incentives for business activity ([Auerbach, 2006](#)). The factors which lead to such shifts include partisanship, business power, election cycles and states of the macroeconomy (good discussions are provided by [Quinn and Shapiro, 1991a, 1991b](#)). However, most of these variables are difficult to map onto the Reagan corporate tax reforms, as the variance in contextual conditions between 1981 and 1986 appears minuscule in comparison to the sea change in policy outcome.

The trade-off view underlies the current most prominent approach to the politics of corporate taxation—the tax competition literature. Here, authors have interpreted corporate tax reforms as a function of structural economic pressures in which rising capital mobility kicked off a ‘race to the bottom’ in tax rates, and transfers of corporate profits to tax havens ([Ganghoff, 2000](#); [Swank, 2006](#); [Franzese and Hays, 2008](#); [Zucman, 2014](#)). The problem with this interpretation is that policy makers abandoned incentives for capital investment in the 1986 reform, which made crucial types of business activity more, not less costly

(Auerbach and Slemrod, 1997, p. 615). This highlights the many different approaches at policy makers' disposal to 'spur growth' (cf., Martin, 1991).

A third view of the politics of corporate taxation is the electoral strategy argument. This literature directs our attention away from the sphere of corporate interests towards strategies of political actors to win elections (Bartels, 2005, 2006; Prasad, 2012, 2018; Brownlee, 2016). Electoral approaches stress that different tax mixes generate different types of societal conflicts (Steinmo, 1993; Kato, 2003; Beramendi and Rueda, 2007; Prasad and Deng, 2009). For example, the once highly progressive US tax system drove a wedge between the interests of the middle and the lower classes (Prasad, 2006, 2012; Martin, 2015; Hertel-Fernandez and Martin, 2018). On this basis, Prasad (2018) has argued that the massive Reagan tax cuts were predominantly a vessel to lift the tax burden for the middle class to garner voter support. The incremental abandonment of capital investment incentives after 1981 signified in Prasad's view that 'Reagan betrayed business' and that neoliberalism under Reagan was anything but a set of policies by and for business interests.

Thus, while the electoral strategy literature develops a more comprehensive view of tax cuts in the Reagan era, it dismisses the massive shift in benefits from one business group to another as secondary. Even Brownlee (2018), who presents an in-depth historical account of how the administration forged an alliance between the middle class, corporations and top incomes throughout the 1980s, does not assess this shift. We agree that, historically, the shift of the Republican Party from 'hawkish' positions to populist personal tax cutting may be *the* crucial turnaround in US fiscal policy in the second half of the 20th century. However, at the same time, corporate income taxation underwent drastic changes that are difficult to subsume under an interpretation of Reagan betraying a block of business interests.

2.2 Paradigmatic change and the role of imaginaries

This article contributes to the socio-economic literature on corporate taxation in two respects: First, it provides historical support to positions arguing for the understanding of tax policy from the perspective of distinct growth strategies and specifies one way to understand structural reorientations. We suggest understanding the process of change as enabled by shifts in story-telling about the future and associated shifts in temporal orientations. Second, our historical reconstruction helps to amend answers to the question of 'how neoliberal' the Reagan revolution was. Many of the corporate tax policies of the late 1980s conform to a logic of channeling resources into high growth niches of industry we call *Silicon Valley Imaginary*, rather than to simple deregulatory ideas (Piore, 2018). In important respects, these policies were aspirational and promissory, rather than ideological and orthodox.

The literature providing the most useful insights on how the shift of sectoral support in the 1980s' tax policy came about is research about growth strategies of state actors. Scholars in this tradition argue that tax reforms were adopted by institutional entrepreneurs in government in search of new producer group coalitions. Martin (1989, 1991) convincingly demonstrates that there have been several different growth strategies which shaped trajectories of US corporate taxation since the 1960s. She shows that state entrepreneurs developed strategic coalitions of business groups to mobilize private actors in favour of their policy programmes and to lay the basis of new growth strategies. Foreshadowing crucial aspects of the growth model debate (Baccaro and Pontusson, 2016), Martin suggests that alliances between specific sectors, state actors and voter segments can dominate the

formulation of economic policy. In 1986, a new coalition of retailers, small businesses and high-tech sectors challenged manufacturers' position at the centre of the American government's growth strategy. Similarly, [Haffert and Mertens \(2021\)](#) and [Huo \(2020\)](#) argue that depending on the allocational consequences of different tax regimes, different political coalitions may evolve.

As is well-known, accounts neatly linking coalitions of interests to beneficial regime types have difficulties explaining structural change ([Streeck and Thelen, 2005](#)). What the historical case of corporate taxation in the 1980s demonstrates is that discursive shifts about the likely future drivers of economic growth can be used by governments to forge new coalitions in support of changing institutions. Corporate tax reform in the mid-1980s, we argue, should be understood as enabled by promises of socio-economic renewal.

The recent interest in sociology in the role of shared imaginaries for social organization can fruitfully be related to the issue of growth strategies in political economy ([Beckert, 2016](#); [Martin, 2018](#)). Jens [Beckert \(2016\)](#) has argued that shared imaginaries about the future are not based on rational anticipation but emerge from ongoing social conflicts over likely and desirable futures (see also [Andersson, 2012](#); [Jasanoff and Kim, 2015](#)). While shared imaginaries in this sense are historically contingent and malleable by agency, their cultural significance is a function of supporting political economic resources and wider cultural imprints. The importance of power resources for the diffusion of shared imaginaries has led some researchers to relate them to hegemonic ideational currents ([Rothstein, 2020](#)). As they are usually tied to larger cultural patterns, imaginaries are conceptualized as most powerful when they are embedded in existing ideological contexts ([Beckert, 2016](#), p. 81).

In contrast to the policy paradigms described in classical political science research ([Hall, 1989](#)), story-telling about the future does not entail coherent, elaborate and practically well-developed thought systems. In our empirical case, much of the debate about the future of the American economy in the early 1980s was driven by intellectual piecemeal work incrementally shaped by a diverse set of more or less well-credentialed actors ([Graham, 1992](#)). The concept of social imaginaries moreover highlights the fact that the ideational constructs underlying political coalitions are saturated with norms and values. Imaginaries are rarely disinterested intellectual projections but embody views of what is fair and just ([Taylor, 2004](#); [Jasanoff and Kim, 2015](#), p. 7; [Angelo, 2019](#)). While fiscal sociologists have studied the normative dimension of tax regimes extensively ([McCall, 2013](#); [Mehrotra, 2017](#)), political economic analysis has largely ignored the relevance of normativity for taxation.

This article's second theoretical contribution is to show that policy-makers in neither tax cut conformed to the ideational paradigms typically associated with neoliberalism ([Mudge, 2008](#); [Amable, 2011](#); [Mandelkern, 2021](#)). Of course, policy recipes from Keynesian thought as well as from Supply Side Economics showed up throughout our archival material. Yet, the core parts of both corporate taxation policies were devised on the basis of academically much shakier depictions of how to channel social resources into particularly deserving and promising segments of the American economy. While a long list of empirical studies have shown that practiced neoliberalism was much 'dirtier' than its ideational foundations (e.g. [Buch-Hansen and Wigger, 2011](#)), we want to suggest that the political battles around US economic policy-making of the early 1980s gave rise to relatively stable promissory stories about how to revitalize the American economy that have little to do with state-retreat or market fundamentalism.

The 1980s' revival of micro- and meso-level government involvement in steering the American economy into high growth fields has mostly been discussed in the specialized literatures, such as industrial policy (Graham, 1992; Block, 2008) and research and education (Berman, 2011). Only recently have scholars begun to acknowledge the extensive concerns about sectoral priorities in US discourse for economic policy-making since the 1980s. Iversen and Soskice (2019), for example, have suggested that Western governments have systematically tried to remake industrial economies into knowledge economies during the last 50 years. While many of the policies they list are debatable in their effects on sectoral allocation (such as monetarism and antitrust policy), pleas for accelerated economic restructuring have featured prominently in most OECD-countries' economic policy platforms since the 1970s. Drawing on Piore (2018) and Martin (1991), we suggest calling the imaginary driving the politics of the 1986 corporate tax reform the *Silicon Valley imaginary*. Table 1 provides a stylized overview of how it differed in terms of tax policy objectives and recipes from both manufacturing-centred visions prominent before 1981 and orthodox supply side ideas. We deploy these distinctions in the following sections to structure our analysis.

2.3 Research design

Our historical analysis seeks to contribute to socio-economic theory development in two ways. First, it establishes the relevance of the Silicon Valley imaginary in political economic discourse and situates its features. Second, it demonstrates that social imaginaries can help account for paradigmatic shifts in economic policy-making. Each of these goals of our research design is guided by specific methodological considerations which we describe in turn.

Table 1 Imaginaries of economic growth in conflicts over corporate taxation

	Manufacturing imaginary	Supply-side imaginary	Silicon Valley imaginary
<i>Firm size</i>	Big	Agnostic	Small
<i>Growth drivers</i>	Capital formation	Efficient allocation	Innovation
<i>Societal Malaise</i>	Declining productivity	Special interests	Lethargy
<i>Role of the tax code</i>	Raise savings; Raise investment in capital goods	Improve 'business climate'; Eliminate distortions	Speed up reallocation; Small business and R&D support
<i>Targets of industrial planning</i>	Known industries; 'Basic' manufacturing	Known industries; 'Independent' business	Unknown industries; High tech production
<i>Macroscopic vision</i>	Defend a national base of key activities	Minimize distortions	Create pockets of future leadership
<i>Vision of Justice</i>	'Productivist' tax justice; Privileged 'foundational' activities	'Protestant' tax justice; Privileged 'non-consuming' activities	'Explorationist' tax justice; Privileged 'dynamic' activities
<i>Geographical outlook</i>	Even nation-wide revitalization	Even regulatory competition	Skewed local renewal

As an account of the rise of a social imaginary, this article draws on methodological ideas developed in the historical social sciences. Hirschman and Reed (2014) have argued that historical accounts of the emergence of features of the social world can be thought of as distinct types of research designs. ‘Formation stories’, as they call them, ‘trace historical shifts in the sets of objects actually existing in the social world’ (Hirschman and Reed, 2014, p. 260). A good example of formation stories are historical accounts tracing and characterizing structural regime shifts, such as Krippner’s much-discussed account of financialization in the USA (Krippner, 2005; Pacewicz, 2020). The unique value of formation stories, or ‘constitutive arguments’ (Pacewicz, 2020), lies in their capability to provide the background for causal accounts. Formation stories help to develop ‘appropriate casing, relevance criteria, and the range of plausible mechanistic accounts’ for a specific range of phenomena (Pacewicz, 2020, p. 9). While we seek to contribute to a causal account of its rise, the demonstration of the existence and political influence of the Silicon Valley imaginary is a distinct motivating factor of our case selection and research design.

As a causal account of paradigmatic policy change, our research design follows a logic of exceptional case selection. Exceptional cases are rare or peculiar cases which do not fit accepted theoretical expectations. Such cases can usefully demonstrate the limits of standard classifications of objects, point to new classes of phenomena and they can help researchers to question existing theoretical assumptions about an established research field (Ermakoff, 2014, p. 224). By zooming in on the changing patterns of reform—the shift between the ERTA of 1981 and the TRA of 1986—we find patterns deviating from theoretical expectations. Resembling earlier positions in historical sociology (Rueschemeyer, 2003), one way to understand the theoretical contribution of historical single case studies is that they illuminate the contingent conjunctions in which causal mechanisms bring about certain phenomena (Steinmetz, 1998). By showing how interest group dynamics interacted with a unique ideational juncture, our article tries to contribute to theoretical debates about how governments change course in economic policy-making.

As single-case historical studies are regularly criticized for cherry-picking evidence (Geddes, 1990), we want to lay out how we tried to discipline our conclusions. To our knowledge, none of the earlier analyses of Reagan era tax policies explicitly highlighted discourse or social imaginaries. We hence analysed our historical material from a secondary literature-baseline of materialist and institutional analysis. In our empirical analysis, we heavily rely on material from the Reagan Presidential Library, which is well-known among historical scholars for its bad archival organization. Material is rarely catalogued properly, duplicate documents are not systematically tracked and archival records are primarily released to the public on the basis of hit-and-miss Freedom of Information Act-requests. Given the organizational quality of the archives, empirical claims about what is *not* there are difficult to substantiate. While we invested considerable effort searching for documents indicating alternative explanations (not least for ‘smoking-gun’ documents suggesting immediate business influence), our archival account should be understood as suggesting the importance of changing imaginaries, rather than proving the irrelevance of other factors. Besides going through the available files of critical personnel, we went through files associated with related policy fields, such as industrial policy, trade policy and science and technology policy. We complemented the insights gained from the Reagan archives with material from the archives of the AFL-CIO and from Congressional hearings and debates. Moreover, we linked our

findings with contemporary news coverage, retrospective first-hand accounts and the secondary literature.

3. Changing imaginaries and the politics of the 1981 and 1986 tax policies

The two Reagan administrations initiated five legislative changes to the tax code over a span of six years. While the three bills of 1982, 1983 and 1984 can largely be understood as attempts to fix follow-up problems of the 1981 ERTA, the 1986 TRA represented a policy reversal in the way it approached corporate taxation. In the following, we analyse how corporate tax policy has been shaped by changing imaginaries between 1981 and 1986. Congress and the Reagan administration radicalized a manufacturing-centred approach to corporate taxation giving corporations wide-ranging opportunities to write off capital investments (3.1). However, the 1981 corporate tax reform and the underlying Manufacturing imaginary were increasingly challenged on the basis of their dismal economic and social record. Conservative policy-makers were confronted with technology-oriented alternative imaginaries about economic recovery from political opponents which they repurposed to fit their political agenda (3.2).

3.1 The heavy hand of history in the 1981 tax cut

In the domain of corporate taxation, Ronald Reagan's signature legislation, the 1981 ERTA, was much less path-breaking than commonly assumed.¹ It radicalized an approach of using the tax code for economic policy objectives in operation since the Kennedy years. Instead of altering tax rates, policy-makers used tax credits and changes in rules regulating depreciation to effectively make specific business practices more economical than others. At the latest since Kennedy's 1962 tax reform, such measures were aimed at productivity-enhancing capital investments, such as equipment and machinery. Two much-discussed components of these policies were the ITC, variously enacted, repealed and re-instantiated since 1962, and repeated provisions rendering depreciation schedules more favourable to corporations. Both measures were skewed towards manufacturing and capital-intensive industries and both relied on a theory of economic growth based on capital investment, technological progress and productivity enhancements (Shapiro and White, 1977; Martin, 1991).

The pro-business parts of the ERTA grew out of a concern about declining productivity growth that gained steam after the first Oil Crisis of 1973/1974—the Great Industrial Policy Debate (Graham, 1992). Commentators regularly cast the USA in a new kind of international competition for industrial superiority—especially with Japan and Western Europe. Charles Kindleberger asked in 1973 if the USA were to replicate a pattern of relative decline Great Britain had experienced in the late 19th century—'under parallel challenge from Japan' (Kindleberger, 1974). A number of international security scholars diagnosed what they called beginning *hegemonic decline* on economic grounds (Gilpin, 1981; Kennedy,

1 This assessment is mirrored by Monica Prasad's (2018) argument that Reagan's neoliberalism consisted of a cut in personal income taxes motivated by electoral considerations, rather than of a business-driven assault on the tax state.

1988). Lester Thurow, a protagonist of the debate, put sluggish productivity growth front and centre when it came to the future role of the USA in the world:

Unless this decline can be reversed, and unless productivity can be accelerated to the levels being achieved by West Germany and Japan, it is only a question of time until we slip into relative backwardness. Few major countries have been brought down by foreign enemies; many have disappeared because of their internal failures (Thurow, 2001, p. 77).

In line with classical macroeconomic thinking, commentators explained the trend of declining rates of productivity growth by insufficient capital investment (Shapiro and White, 1977). Beginning in the early 1970s, economists and policy-makers turned these observations into warnings that the USA faced a ‘capital shortage.’² The New York Stock Exchange calculated a ‘gap’ of \$650 billion until 1985 (Eisner, 1977). And an increasing number of policy-makers supported measures that would raise aggregate saving. Martin Feldstein, who later became the chief of Reagan’s Council of Economic Advisors, was among the academic protagonists of the capital shortage movement. In 1977, he joined in on narratives about hegemonic decline to justify the need for a capital formation policy before Congress:

we have a very low net rate of saving in the U.S. economy... The long-run [effect] of that is simply that we will be less productive... As I look at the European economies and see what happens to a country like England that discovers itself being rapidly bypassed by other countries with higher savings rates, I see foreshadowing of the kind of future we may have here in which we find ourselves becoming a poorer and poorer country relative to the other countries in the world (US Congress, 1977, p. 174).

Such diagnoses were not straightforward outgrowths of supply-side thought. They effectively privileged specific known industries and jobs; they were concerned with capital formation instead of efficient allocations; and they rested on a vision of strengthening a well-defined industrial ‘base,’ mirroring the imaginary of economic prosperity we have called the Manufacturing imaginary. Contrary to classical neoliberal supply side positions, which aim to improve the general ‘business climate,’ proponents of capital formation support proposed targeted support for ‘foundational’ activities of the national economy.

Diagnoses of the USA having a problem of insufficient saving, thrift and investment echoed the 1970s’ conservative social critics. The conservative legitimisation conceived of supply-side policies strengthening savings as contributions to restore discipline, frugality and industry in an increasingly hedonistic society. The relation of this ‘protestant’ interpretation of the malaise of the 1970s to supply-side policy-making has rarely been explored systematically in analyses of neoliberal policy paradigms (Brick, 2006, ch.7; Blyth, 2013, p. 111; Cooper, 2017, p. 55; Kolozi, 2017, p. 150). Reagan echoed conservative social critics in his inaugural address, lamenting that: ‘For decades, we have piled deficit upon deficit, mortgaging our future and our children’s future for the temporary convenience of the present’ (Reagan, 1982, p. 1). Asking for the characteristics of a ‘productive society’, White House policy development director Roger Porter similarly ascertained that: ‘First, it is a society where the incentives are to save and invest, to build and construct, rather than to consume’ (Porter, 1983, p. 72).

2 A good summary of the idea can be found in Jack Kemp’s statement during the 1975 congressional debates about tax reform, US Congress (1975, pp. 19–66).

The ‘productivist’ legitimization painted investment in capital structures as foundational to society as a whole and justified fiscal privileges on the basis of this status. A main group of business interests lobbying for accelerated depreciation since the mid-1970s, the Committee for Effective Capital Recovery, called rapid depreciation ‘restorative’, as ‘reduced corporate cash flows and inadequate capital investments . . . have had a slow but seriously deleterious impact on the economic health of our nation’ (US Congress, 1980, p. 575). Symbolic crosslinks between the fate of specific capital-intensive industries and the nation’s economic health went so far that policy-makers tailored the depreciation allowances to low-profit manufacturing sections of the corporate world by making write-offs tradeable through tax leasing provisions (Prechel, 1990).

The ERTA relied on a specific geographic understanding of economic recovery and associated regional interest group structures. The Reagan administration has rightly been characterized as one of the main roadblocks to programmes of interregional redistribution buffering the effects of deindustrialization (Graham, 1992). Its half-hearted attempt to develop a market-oriented alternative to state-aid for struggling regions—Urban Enterprise Zone legislation—never gained traction in Congress and with the public. Yet, in mobilizing political support for the ERTA, the administration promised that focused capital formation supports would stop the bleeding of the industrial heartland towards the booming South. Officials presented their bid for reform as a revitalization programme for regions heavily suffering from deindustrialization. The Director of the Office of Management and the Budget, David Stockman, for example, promised that changed depreciation rules and the ITC would end the ongoing wave of plant closures in the Northeast:

If you can . . . make policy adjustments that will allow [industries] to more rapidly recover their capital so that they can replace that aging machinery and equipment, or restructure some of these large, integrated plants, it seems to me they have a far better time remaining competitive not only with the Southwest, but, remember, with the rest of the world (US Congress, 1981b, p. 79).

Until the mid-1980s, the discourse among officials, economy, and society was still predominantly backward-looking. The focus on capital shortages and the saving versus consumption issue also linked up neatly with the problem of runaway inflation—the main economic policy issue of the time. A popular line of thinking was that a lack of capital formation had instigated declining productivity and that inflation significantly contributed to productivity decline as usual ‘straight-line’-depreciation in the tax code could no longer recover the rising costs of replacing old equipment (Bookes, 1985).

The archival material suggests an unusually broad support coalition principally in favour of capital formation support through the corporate tax code. While trade union representatives were among the important actors drawing attention to the moral problems of a decidedly regressive tax reform, the AFL-CIO stressed in their 1981 Policy Resolutions an image of returning to the industrial foundations of American economic development: ‘The United States must remain a major maritime, agricultural and manufacturing nation’ (AFL-CIO, 1981a, p. 8). Along the same lines, while criticizing the depreciation schedules implemented by the Reagan administration and the misuse of ITCs, the stated main goal of the AFL-CIO was to ‘modernize basic and essential industries and public capital facilities, to revitalize lagging geographic areas, generate jobs, growth and price stability’ (AFL-CIO, 1981a, p. 4).

3.2 The construction of a structural break with the past in the 1986 tax reform

Following up on the passage of the ERTA in August 1981, Congress passed the *Tax Equity and Fiscal Responsibility Act* in July 1982, *Social Security Amendments* in April 1983 and the *Deficit Reduction Act* in June 1984 which scaled back business benefits. Finally, the 1986 *Tax Reform Act* formally abolished accelerated depreciation. Based on this sequence of events, Monica Prasad has concluded that the first Reagan administration ‘betrayed’ business by repealing corporate benefits to limit the deficit (Prasad, 2018, ch. 7). There is much truth to Prasad’s historical interpretation. However, the understanding of corporate tax reform in the 1980s as a series of ‘handouts’ and ‘rollbacks’ leaves aside crucial aspects of the field’s dynamic. Understanding it instead as driven by changing social imaginaries helps to make sense of substantively different legitimizing strategies and of different approaches to influence economic activity.

The policy process towards the 1986 tax reform began with a Treasury proposal that met open hostility from significant parts of the business community. The plan proposed to phase out the 1981/1982 rules for depreciation as well as the ITC and replace them with across-the-board cuts of the nominal corporate income tax rate and a renewed cut of the capital gains tax. The only broad industrial development-oriented loophole to be maintained was a research and development-credit (Department of the Treasury, 1984). After a long congressional battle, the 1986 *Tax Reform Act* did phase out traditional loopholes for capital investment, cut corporate income rates across the board, slightly raised capital gains taxes and made the R&D tax credit permanent (McLure and Zodrow, 1987). This new structure of business taxation has been described as the archetype of neoliberal corporate taxation as it nominally tried to scale back state-interference with flows of private capital (Swank, 2006).

While there is evidence that sectoral business interests organized in favour of the phasing out of the 1981/1982 provisions (Cowan, 1981; Martin, 1991), an explanation of this paradigmatic shift focusing on business interests is problematic. Compared with the agricultural, manufacturing, utility and construction sectors of the American economy, high-tech businesses and retailers represented a significantly smaller constituency. While there have been repeated calls from business interests to abandon the regime of high statutory rates and investment-loopholes due to its inherent complexity (Hutcheson, 1977), powerful business interests fiercely attacked the Treasury proposals (see Cicconi, 1984). The most powerful actors in the lobbying efforts surrounding the 1986 tax cut were the Coalition for Jobs, Growth and International Competitiveness led by Charls E. Walker, former Treasury Department official, with prominent members including General Motors, and the Tax Reform Action Coalition. The former collected the largest kitty to lobby against the reform from seventeen utilities, energy companies, telecommunications firms and heavy manufacturing businesses which reportedly each contributed \$40 000 to a \$1 million fund to lobby against changes in incentives for heavy industry (Roussakoff and Swardson, 1985a, 1985b).

In contrast to the relative stability of interest group politics, debates surrounding the TRA significantly shifted the meaning of what corporate tax reform was about. Three incremental shifts can explain this radical ideational break with established tax policy wisdom: the interpretation of the 1981 reform as failing to bring about economic recovery, the political transformation of tax reform into an issue of social justice and fairness and the discovery of future industries and innovation as an evocative promissory frame.

Framing the 'old economy'

The first factor contributing to the collapse of the Manufacturing imaginary was that it seemed to consistently fail to produce desired economic and political outcomes. Throughout 1982, when the Reagan administration was forced to scale back parts of the investment incentives in an attempt to limit the ballooning of the budget deficit, labour groups challenged the administration with evidence that firms were profiting from the incentives but holding back on new capital investment in the recession (US Congress, 1981a). Three economic problems which had recurred since the late 1960s returned or worsened in the immediate aftermath of the ERTA: the growing budget deficit, stagnating productivity growth and unemployment. In the years following the passage of the ERTA, a number of publications registered a massive decline in the corporate tax-share of total tax receipts, down from around 20% during the 1960s to around 7% in the first half of the 1980s (Auerbach and Poterba, 1987). While much of this decline was arguably due to the general fall of corporate profits as a share of GDP (*ibid.*), contemporaries overwhelmingly blamed the ERTA and accelerated depreciation for the phenomenon (McIntyre and Wilhelm, 1985; McIntyre and Tipps, 1985). Still in 1985, the ERTA corporate components were blamed for bringing about the ballooning of the budget deficit (US Congress, 1985, p. 370).

The administration did cure the two main economic maladies discussed in debates about the ACRS—the effective tax rates for capital-intensive corporations were significantly lowered and monetary policy lowered the rate of inflation. Yet industrial indicators still suggested a sluggish recovery.³ With the exception of 1983, productivity growth continued to disappoint. More important for public opinion, unemployment rose to almost 11% by December 1982 and only recovered down to around 7% by mid-1984, the year of the presidential election. Reversing American popular opinion's extreme concern with inflation since the late 1970s, Reagan's pollsters from 1983 again found majorities citing unemployment as the greater of the two evils (Wirthlin, 1983a, p. 1, 1983b, p. 5).

A key aspect of the rethinking of policies for economic recovery was an increasingly common distinction between strategies of 'defending old jobs' versus 'creating new jobs,' with a corresponding distinction between 'sunset' and 'sunrise' industries. A good example is David Birch's small business research, which became one of the most-cited sources in economic policy debates. Birch, an MIT economist, had conducted some of the first data-driven analyses of the 1970s' upcoming economic sectors (e.g. Birch, 1979). His studies indicated that the critical factor in the decline of US employment rates was not the closure of firms (as implied by the Manufacturing imaginary), but rather opening of new ones and more specifically the flourishing of independent and young firms (with 20 or fewer employees). Birch claimed to be able to demonstrate that small firms generated 70–80% of real job growth and most technological innovation (Bookes, 1985). These findings were also discussed in much detail in the media and in politics. For instance, the Chamber of Commerce relied on Birch's research to give legitimacy to their resistance against Northeastern initiatives to reign in plant closings in Congress, claiming that:

3 The economic judgment about the effects of the 1980s' tax reforms is still not settled (Auerbach and Slemrod, 1997). Important reasons for the experienced non-effectiveness of the capital formation incentives were the simultaneous deliberately induced recession by the Federal Reserve, the tendency by business to 'front-load' planned investments and the existence of loopholes in the system, allowing firms to boost profitability.

a complete business cycle, including opening, expansion, maturation, and contraction of businesses, is indicative of a dynamic economic system. Thus, they should focus on plant openings rather than plant closings, on job generation rather than job decline (US Congress, 1983, p. 413).

At the same time, the idea that American industry was in the middle of a process of structural change allowed the Democratic Party to pressure the Reagan administration. Significant parts of the Democratic establishment had begun developing ideas about a national industrial policy which made their way into the House Democratic caucus in a white paper on industrial policy in 1983 (Graham, 1992). Attempts to capitalize on a forward-looking programme of 'industrial revitalization' to foster an identification between the Democratic Party and growth industries were already underway in Jimmy Carter's administration (Winch, 1980, p. 8). In 1983, Walter Mondale, the contender for the Democratic presidential nomination, continued the attempt to symbolically associate the party with the dynamic parts of the American economy (Badaracco and Yoffie, 1983). Offering a new way of looking at the economy—an orientation towards the future—the need for a national industrial policy became a rallying cry for the Presidential election in 1984 (Blumenthal, 1983). Key parts of the industrial policy debate consisted of calls for the government to reallocate resources towards fast-growing sectors, instead of protecting 'old industries' (Graham, 1992). Particularly against the backdrop of international competition, government action to respond to new challenges became a common demand.

Capital support as a problem of justice

A second crucial issue of concern framed the problem of tax reform as a problem of justice (McCall, 2013). Trade unions and Democrats had criticized the early 1980s as a time of the reassertion of concentrated business interests (AFL-CIO, 1981b). Frequently cited statistics showed that during the 1980s the share of US manufacturing assets held by billion-dollar corporations had soared from 48% to 65% since the ERTA had been passed (Bookes, 1985). Such follow-up developments to the 1981 bill regularly pitted 'big business,' heavily 'incentivized' to invest through the ERTA, against the remaining groups in society shouldering the bill. 'What the deficit really means', Democratic presidential candidate Walter Mondale claimed in his TV campaign, 'is that you're paying for their free ride' (Schram, 1984). The notorious campaigner against capital formation support, Citizens for Tax Justice, summarized this sentiment in one of its public statements:

Looking at the economy as a whole, business investment declined by 9% between 1980 and 1983 while the cost of federal corporate tax loopholes rose 41%. In view of this dismal record, how can members of Congress consider new limitations on Social Security payments or cuts in health benefits for veterans (McIntyre and Tipps, 1985, p. 369).

The 1981 reform had, largely through personal income tax cuts (Prasad, 2018), created ballooning budget deficits, which the Reagan administration used as legitimation to push for cutbacks in employee benefits and social security. This redistributive dynamic pitted privileged employers against the rest of society, strengthening the talking point that the American tax regime was 'skewed' towards the corporate sector:

Largely because of the revenue shortfall created by the unfair and revenue-eroding Tax Act passed in 1981, [healthcare and unemployment] programs are being eyed as a source of new tax receipts. Nearly three-fourths of the deficit is directly attributable to the unfair revenue giveaways enacted in 1981 (Kirkland, 1985).

In 1981, the AFL-CIO in addition embraced the narrative of the USA having to revive ‘American interests’ in the international realm of trade and investment policy. Continuing their long-standing critique of relocation, they attacked big multinational corporations for ‘exporting’ technology, capital and jobs. Blanket tax incentives for big corporations were framed as positive sanctions for the unpatriotic conduct vis-a-vis workers and the taxpayer. Essentially, multinationals were held to undermine the nation’s industrial base and weaken the competitive position of US manufacturing in world trade (AFL-CIO, 1981a, p. 6).

While national security warnings were key in earlier Congressional debates to making the case for supporting manufacturing and ‘basic’ industries, continuing relocations and sluggish investment destroyed the credibility of national security justifications for incentives. Compared with debates in 1980 and 1981, national security devolved into a marginal issue in fights over the 1986 bill and was regularly used to argue against targeted support for big producers, rather than for it (e.g. US Congress, 1985, p. 157).

The reframing of tax policy as an issue of fairness did not only raise issues of unequal treatment along the opposition’s concepts of redistribution and job creation, but it also discredited the idea that the ERTA’s privileges rested on the foundational nature of capital formation support. In line with post-war tradition, the reform had selected a section of the economy—large manufacturing establishments—which were treated preferentially over the rest of the economy. The discrediting of big business touched a nerve in the public debate not just because it rendered Reaganomics insincere, but also because capital concentration did not suit meritocratic ideals about a level playing field—particularly for small and ‘dynamic’ businesses. A major talking point about tax reform beginning in 1983 was that the corporate tax regime radicalized in 1981 was ‘distorted’ and ‘unfair’ (Department of the Treasury, 1984). ‘Taxpayers across the country are dissatisfied with the current tax system because they believe it is unfair’, Reagan’s last Treasury secretary Baker summarized this ‘explorationist’ take on tax justice, ‘they suspect that it impedes growth because it discourages risk taking and innovation and encourages wasteful tax shelter investments instead of rewarding honest toil’ (US Congress, 1985, p. 7).

The openness of the Reagan administration for framing tax reform as an issue of fairness must be understood from its ongoing concern that it was losing public support over ‘the fairness issue.’ ‘We are being savaged by the fairness issue. Our moral and, correspondingly, our political base has been badly eroded,’ an internal memorandum warned in Summer of 1982, as all potential democratic challengers were preparing runs centring on the issue of social justice and fairness (Horowitz, 1982, p. 1).

Discovering the future

Besides shedding the old recipe for stimulating economic growth and turning tax reform into an issue of social justice, debate about tax reform since 1984 signified an altered relationship to the future. The corporate sections of the TRA were designed under the assumption that the country was experiencing an ongoing process of structural change.

Given the widespread critique of the 1981 reform, the Reagan administration was under repeated pressure to distance itself from the corporate parts of the ERTA. Many of the suggestions for further tax reform coming out of the administration between 1984 and 1986 can be understood as attempts to develop a credible reform strategy which would limit budget deficits and restore fairness in the distribution of tax burdens, while at the same time maintaining a 'pro-business' appeal. An important strategy through which the administration solved this problem was by redefining what being 'pro-business' in tax policy meant. Consequently, Republican reformers picked up significant parts of the opposition's industrial policy agenda to frame corporate tax reform as a problem of accelerating the *reallocation* of resources towards dynamic sections of the American economy. Contrary to the 1981 discourse about capital shortages, investment and industrial productivity, this meant that a pro-business tax code was one which did not 'distort' the flow of resources towards activities where private gains were highest (in contrast to the focus on inherently low-profit manufacturing in the 1981 provisions). The notion that the USA was in the middle of a historical reallocation process featured prominently in debates about corporate organization. The 1980s' takeover movement was legitimated by beliefs that old corporate forms were conserving inefficiencies and thereby holding back the economy as a whole (Davis *et al.*, 1994; Dobbin and Jung, 2010).

This vision implied a move away from the idea of geographic equalization prominent in the manufacturing-focused imaginary. Pressed multiple times in Congress if the 1986 reform would in effect redistribute resources from the Northeast to the Southwest and from 'financially weak sectors of the economy to provide benefits for those with a brighter outlook,' James Baker categorically rejected the need to provide projections about interregional redistribution (US Congress, 1985): 'I really question to some degree whether we ought to get into the business of trying to prove that this proposal does or does not do something to one particular section of the country' (US Congress, 1985, p. 84). Projected uneven geographical development hence turned from a focal issue into an uncertain side-effect, secondary to the design of the corporate tax code.

The Reagan administration's reactions to the industrial policy debate can be understood as ranging between openly hostile and selectively appropriating. To be clear, the Carter administration's mostly failed experiments with tripartite industrial governance did not re-surface during the Reagan years. Neither did the oft-repeated claim that accelerated industrial restructuring demanded an expansion of the welfare state to ease interest group resistance to technological change (Katzenstein, 1986; Thurow, 2001). The administrations' two important concessions to the industrial policy debate—an unsuccessful attempt to get Federal *Urban Enterprise Zone* legislation passed and the creation of a national *Commission on Industrial Competitiveness*—remained without substantial effects on policy.

Yet, the administration surprisingly took up significant parts of its critics' arguments regarding the unfairness of the 1981 tax regime. What had been necessary components to restore American industrial supremacy in 1981 became 'loopholes' creating 'distortions.' It was promised that repealing the ACRS and the ITC would put an end to tax shelters. However, next to such arguments prominent in orthodox supply side thinking, the administration from early on connected to ideas about overdue structural change in the American economy. According to the 1984 Treasury proposal, the firms that were most disadvantaged by the 1981 provisions were high technology enterprises because they did not usually need large capital investments and thus had high tax burdens when compared with capital-

intensive, manufacturing firms (Department of the Treasury, 1984, p. 5). In effect, this was a recognition of the yearlong argument by groups in favour of industrial restructuring towards 'advanced' sectors. The Treasury proposed a form of 'economic depreciation,' which accounted for real economic depreciation and the real cost of sold inventories, eliminating the bias towards large investments in depreciable assets. Policy-makers argued that this was a way to eliminate special deductions and credits and replace the 'front-loaded' capital recovery system of the ACRS and ITC. The new depreciation system would 'increase tax equity and reduce tax-induced distortions in investment decisions' (Department of the Treasury, 1984, p. 43). Eliminating the ITC, taxing capital gains at a rate as high as ordinary income, and indexing capital gains and interest expense would furthermore reduce incomes generated through tax shelters.

Underlying the move away from the focus on productivity of the Manufacturing imaginary were stories that redefined the economic problems of the time as symptoms of structural change towards a new kind of growth model, one driven by lean, new and innovative firms in new and unexplored sectors. Throughout the first half of the 1980s, the administration's economists doubted the fact that ailing American manufacturing sectors were suffering from repairable, 'non-market' problems. Classical manufacturing industries' downsizing, the Council of Economic Advisors argued in 1983, was an obvious sign that the USA had lost its comparative advantage for 'simple goods' to other nations. The CEA's estimates suggested that in the 1980s competitive American goods would be 'research-intensive', 'resource-intensive' and 'invisible' (Council of Economic Advisers, 1983, pp. 58–59).⁴ Internally, the administration seemed to turn increasingly cynical with regard to constant pressure from manufacturing industries for state aid and trade protection. Confronted with one of many steel industry calls for privilege, staffers joked that industry proposals were 'so way out and at odds with this Administration's philosophy that I almost do not know how to handle it ... I think Ed was shocked at his first real encounter with movers and shakers of the free market capitalist system' (Kington, 1986, p. 2). Ideas that the time was one of structural economic change regularly surfaced in public speeches by the administration after 1982. When Ronald Reagan addressed a group of students in March 1983, he suggested that American society must understand that 'history' was accelerating in the 1980s:

Abraham Lincoln is supposed to have said that the best thing about the future is that it comes only 1 day at a time. In this modern age, it often seems to come more quickly than that, I know. Our nation is speeding toward the future at this very moment. We can see it coming. We can see its shape. I know in your history books you've read about the Industrial Revolution. Well, today we're in the midst of another revolution, one marked by the explosion of technological advances. It's a revolution of microchips and biotechnology (Reagan, 1984, p. 356).

Similar ideas were debated throughout the first half of the 1980s in Congress. In a characteristic change of language, old industrial policy proposals were regularly questioned with regard to their 'smokestack-orientation' (US Congress, 1983, p. 2). Ronald Shelp, insurance giant AIG's chairman, tried to warn Congress against the protection of 'weak industries ... while forcing others to accept the domination of our strong industries, high technology and services' (US Congress, 1984, p. 37). Savings Subcommittee chairman Chafee claimed that

4 This is not to suggest that the CEA's economists were fully onboard with part of the administration's craze about high technology. For a rebuttal, see Krugman (1982).

those ‘who fear that the U.S. is ‘de-industrializing’ . . . want us to turn back the clock . . . to recreate the heyday of smokestack capitalism’ (US Congress, 1983, p. 2).

When compared with the justification of the 1981 tax cut, the language about the function of the tax code had changed dramatically. While it was hailed as a force for structural preservation and societal restoration at the beginning of the decade, it was symbolically transformed into a device accelerating social change only four years later.

4. Conclusion

The 1986 law marked a turning point in the commitment of the Federal government to support the maintenance of a model of industrial growth, interregional equalization and macro-economic stabilization. In its stead, policy-makers switched to an imaginary in which the corporate tax code was to stimulate the emergence of ‘new’ industries, so as to shift resources to the ‘most dynamic’ (in practice often meaning most profitable) parts of the American economy. The idea that it was the role of the Federal government to remove obstacles for dynamic activities, rather than channel resources into activities with assumed positive externalities, goes a long way towards what has been called the *Silicon Valley Consensus* in economic policy (Piore, 2018). The creation and diffusion of a set of hegemonic ideas about the purpose and workings of state and society is arguably a core prerequisite to shifts between political economic growth models (Rothstein, 2020). This is what happened in the chaotic battles over the 1981 and 1986 reforms. In concert with parallel ideational shifts in education policy (Berman, 2011), social policy (Andersson, 2009), corporate organization (Davis, 2016) and notions of society as a whole (Rodgers, 2011), dominant imaginaries were shifting from the preservation of social order towards the stimulation of social change.

Throughout the first half of the 1980s, business groups, politicians and experts debated if the ongoing problems of American industry were cyclical phenomena or symptoms of a structural shift. Industrial revitalization and recapitalization—the main motive behind the 1981 corporate tax cuts—only made sense if the future position of American industry in the global division of labour would remain structurally unchanged. By contrast, the phasing out of generous depreciation allowances in favour of cuts in the nominal corporate income tax rate and capital gains tax was a sensible policy under the assumption that the former drivers of industrial dynamism were structurally exhausted. Notwithstanding, we have been careful not to present fears about economic decline as straightforward exogenous shocks for the Manufacturing imaginary. Stories about relative decline vis-à-vis foreign industries were present in the politics of both policies to delegitimize opposition—once to radicalize the old logic of corporate taxation and once to break free from established practices.

This paper zoomed in on a specific break in the patterns of corporate-tax reform in the midst the Reagan reforms—between the 1981 ERTA and the 1986 TRA. Analysis of this ideational juncture has allowed us to characterize, situate and explain shifts from a manufacturing-orientation towards a focus on reallocation. We pitched our account against three strands of research on corporate taxation. The first research strand, the public choice view, predicts that well-organized business groups roll over their tax burden onto less organized societal groups. However, one of the most critical features of the corporate tax reform was that it raised taxation for some of the most powerful and best-organized business groups (capital-intensive industries). A critical factor leading to this shift was the change in imaginaries about future growth propagated by policy entrepreneurs. While the tax

competition literature argues that structural pressures lead to the decline in corporate taxation, the material presented in this paper shows that officials raised taxation for capital-intensive businesses through the elimination of tax benefits. These cut backs were legitimated with the emerging belief that future growth would lie in upcoming economic sectors and that ‘smoke-stack industries’ had to make way for a ‘new economy.’ Finally, the electoral strategy argument focuses on conflicts between different societal groups and finds that overall, the Reagan tax cuts lowered taxes for individuals more than for businesses. Imaginaries offered an additional lens on this finding and allowed us to describe the significant shifts that were taking place simultaneously in the field of corporate taxation.

The socio-economic imaginaries we found at play in the 1980s’ battles over corporate tax reform must be understood as field-specific constructs. Yet, they represent variations on themes present in wider contexts. Transfers of our results to other fields and political environments should be made with a sense for proportion. To give just a few examples of deviations in neighbouring fields: American antitrust policy was not influenced by the increasing concerns about small business since the 1970s, even if it shared the growing infatuation with innovation and economic dynamism (Ergen and Kohl, 2019). As mentioned above, the take-over movement of the 1980s was legitimated with a perceived need of large-scale reallocation and ‘creative destruction.’ Notwithstanding, the Justice Department at the same time cut back policies against merger control and monopolization attempts. Interests of basic industries have continued to episodically dominate policy fields since the 1980s, as visible in the trade arena (Slobodian, 2021), in energy and environmental policy (Jacobs, 2016; Stokes, 2020), or in the revival of investment write-offs in the Trump years. Exploring such field-specific adaptations of how desirable economic structures are imagined would be a promising avenue for further research.

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