
BUSINESS STATEMENT IN SUPPORT OF GOVERNMENT BY THE PEOPLE

And in Opposition to the *Citizens United v. FEC* Decision

- ▶ We believe in the American democratic ideal of “government of the people, by the people, for the people.”
- ▶ We believe the U.S. Supreme Court’s decision in *Citizens United v. FEC*, which allows corporations and other entities to spend unlimited money influencing the outcome of public elections, is inconsistent with longstanding American democratic principles and practice.
- ▶ Despite the *Citizens United* ruling, we oppose the unrestricted and undisclosed use of funds by corporations to influence the outcome of public elections. We urge all entities to act with restraint and full transparency to ensure that public elections reflect the will of citizens.
- ▶ We support efforts to overturn *Citizens United* through an amendment to the Constitution in order to protect our democracy, which is government by the people.

The Business Case for Democracy and Fair Elections

In January 2010, the United States Supreme Court (in *Citizens United v. F.E.C.*) reversed years of precedent limiting how corporations may spend money to influence elections. This decision has and will continue to substantially increase the importance of corporate influence in politics at the expense of individual voters. The outcome will directly affect who gets elected and how they choose to vote once they are in office. And, this will serve to further diminish the influence of individual citizens and voters in our democracy.

As executives, owners, investors, and business, we must ask ourselves: Are our goals furthered by this greater freedom to spend our companies' money to influence campaigns? Or, has the Supreme Court handed us a Faustian bargain? Is this new ability to influence politicians and elections helpful—or does it set us back in our efforts to operate our businesses responsibly and promote a vibrant, equitable, and sustainable economy?

Despite appearances, the reversal of campaign finance rules is more likely to hurt than to help. The main problem is not whether businesses can or cannot spend their money on elections. The key problem centers on which particular businesses and industries will dominate in making campaign contributions, and whether the ideas they promote are good for our businesses and the nation.

Most business people do not want to be forced into spending money on the elections because our competitors are spending and then find themselves forced to match their efforts. Our businesses are designed to provide a product and service and to employ people and build a strong economy. Of course, we believe in engaging in the policy-making process, but do not believe that unlimited spending by corporations is an effective way to influence public policy. That approach runs counter to the basic tenants of a free market.

A Business Case for a New Economy

American business is very diverse, and this diversity is a great strength. Will that diversity continue with so much power sitting in the hands of a few with the deepest pockets and will the best interests of our economy and country be served.

Many of the businesses that are engaged in local economic development, green business, sustainable business, socially responsible business, triple-bottom-line business, along with Main Street businesses, believe and are proving everyday that a new paradigm for business is possible.

For example:

- Businesses that offer safe and environmentally sustainable products welcome labeling and education programs that help the consumer make healthy choices—while large businesses that may profit from unsafe and dangerous products often oppose greater transparency and are willing to push externalities and hidden costs onto the tax payer.
- Innovative and entrepreneurial businesses want an economy that rewards risk-taking—while businesses in mature industries (like timber) often seek and win government help to protect their franchise long after it's time to move on.
- Companies at the forefront of the new energy economy want policies that stop the disproportionately larger taxpayer subsidies to fossil fuels. (Consider that gasoline would probably cost more than \$8 per gallon if all the true costs were factored in.) If we were honest with ourselves about what fossil fuels really cost, consumers would vote with their dollars, and it could propel America to retain its global leadership in clean renewable energy.
- Small businesses on America's Main Street—which create the overwhelming majority of jobs—need credit on reasonable terms and would rather not pay for bailouts to investment banks and insurance companies.
- Many businesses responsibly pay their taxes while others, often with the greatest profits, obscure their money in tax havens overseas, avoiding most if not all of their tax responsibility.
- Companies that operate with a sense of stewardship and social responsibility know that quarterly profits, while important, conceal much about the long-term health of the business. These companies embody the value that long-term investments really do matter, both for individual businesses and for the national economy. We can't be competitive as a nation, any more than we can be competitive in our individual businesses, without the right long-term investments in education, infrastructure, technology, and the health of our communities.
- The expense of running for national office continues to escalate. Companies with deep pockets will continue to play an outsized and unfair role in advocating for their positions.

Why Campaign Finance Matters

Unfortunately, opening the floodgates to corporate spending on elections will make it harder, not easier, for our type of business to get what it needs—and for America to get what it needs from responsible businesses. In essence, the court decision changes the balance of power between the individual voter, the government and organizations and institutions that are able to marshal enormous resources, with budgets often many times greater than the public agencies they seek to influence.

That's because—if we go down the path blazed by Citizens United—the money that will flood the political system will not represent the best interests of most American business as well as the people of this country. Instead, the money that will flood the system will come from organizations like the U.S. Chamber of Commerce, which alone will spend more than \$200M this year. Business will fare better if they invested in their businesses and focused on ushering in a new economy instead of pouring endless dollars into buying the elections.

With a refocus on building a new economy, we can:

- Support the industries that are inventing the future.
- Commit to making America a leader in clean renewable energy.
- Operate sustainably rather than exhausting natural resources in search of the lowest cost.
- Support Main Street businesses that respond to local communities, as opposed to those who offshore thousands of family supporting jobs.
- Operate so that business accounts for the diverse stakeholders that matter in our modern and interconnected economy.

Our Business Values

As executives, owners, and investors in socially responsible and/or sustainable businesses, we believe there are right ways and wrong ways to do business. We are committed to building businesses, based on the values and principles, that growth should not be pursued at any cost, nor profit without regard to people and planet. We seek economic policies that make it easier and more profitable to do business the right way, and we know that these policies will make it harder and less profitable to do business the wrong way. We are committed to building a robust domestic economy, connected to the larger world, which creates jobs in the United States.

Another important business value we hold is transparency. Decisions should be made in the open. Corporate donations must be managed so that campaign donations do not serve as a form of thinly veiled bribery that allows legislators to collect secret donations, for which they then owe secret favors. Such “pay to play” practices destroy Americans’ faith in government (less than 20% of Americans think Congress is doing a good job), and they are destroying our democracy. The basic tenant of shareholder engagement is undermined when it becomes unclear who a company has given money to or who within the company has authorized these expenditures



From left to right, Ben Cohen and Jerry Greenfield of Ben & Jerry's watch as Dal LaMagna, of IceStone, signs a business statement on behalf of supporting U.S. companies and business leaders to form Business for Democracy, a campaign opposing unlimited corporate spending in public elections, Friday, Jan. 21, 2011, in Washington. (Nick Wass/AP Images for Business for Democracy)

What's at Stake

The ranks of sustainable and socially responsible businesses are growing rapidly. Unless we act, corporate money representing old-line industries will continue to swamp campaigns. This money will not represent enlightened business leadership. Imagine if all these business were refocused and were working together to build an economy that worked for all Americans.

For example:

- Financial reforms that support Main Street.
- Continued improvement to the health care and insurance system to make coverage more affordable to businesses and families.
- Reforming and strengthening public education to ensure that American workers have the skills they need.
- Energy policy that promotes renewable, climate-safe solutions that also provide us with greater energy security.
- Stewardship of non-renewable resources in ways that strengthen the value proposition for companies that operates sustainably.
- Product safety standards and removal of hazardous chemicals that protect consumers and families and support businesses that do business responsibly.
- Operating standards that require industries to do business safely (for example, oil drilling, mortgage banking) without jeopardizing public welfare or imposing speculative losses on the taxpayer.
- Paying Living Wages without which our middle class becomes decimated.

We Need Your Support To

- ▶ Build an innovation economy that is representative of a wide range of business interests and creates a sustainable economy.
- ▶ Build an economy that embraces democratic principles.
- ▶ Build a political system and electoral process that is open to many constituencies that embraces “government of the people, by the people, for the people.”

Overturing the Citizen's United decision and instituting campaign finance reform that provides for a fair and transparent process is a crucial step toward building an economy that supports and rewards responsible and sustainable business. This is essential if we are to create the economy we want and need today and be proud of what we're leaving for the generations to come.

Get Involved:

- Sign on to the Business Leaders letter
- Write an Op-Ed
- Speak out in your Community
- Get other business leaders involved

For More Information:

- www.businessfordemocracy.com
- www.asbcouncil.org

Business for Democracy is coordinated the American Sustainable Business Council