

Big businesses say they are responsible, but too often they fuel conspiracy theories

Corporations have been condemning the Capitol insurrection, but take a closer look.

U.S. [corporations and their leaders are speaking out](#) forcefully about the insurrection at the U.S. Capitol and the need to transition quickly to the Biden era. However, they face a serious problem — their political spending in many cases conflicts with their calls and, in fact, played a role in the crisis.

Their problem is highlighted by the hundreds of thousands, even millions, of dollars that leading corporations and their trade associations contributed to some groups that funded the election of state attorneys general who tried to overturn the election, and to groups like the [Rule of Law Defense Fund](#) that [encouraged the Jan. 6 election protest](#).

Companies' words versus their actions

Companies and their leaders have been speaking out to help reduce today's deep political dysfunction and to improve the environment for business. This represents a major milestone in business thinking. However, they need to deal with incredible pressure from the powers that be to make risky political investments that could hurt their reputation and bottom line.

Moving toward a positive, proactive role for business in politics will require companies' taking another step — assessing carefully their traditional role in our political system today and rethinking the playbook that includes their

political spending. And this rethinking may be beginning. At least 27 companies and trade groups have put a pause on all their political action committee donations in the wake of the Capitol siege, including BlackRock, JPMorgan Chase, Coca-Cola and Facebook. And at least 31 companies are withholding political action committee support for Republicans who voted against affirming the electoral victory of President-elect Joe Biden, including Amazon, AT&T, General Electric and Goldman Sachs Group.

Will companies go beyond window dressing and adopt changes to their political spending that build responsibly on the trauma of the moment? Will they support evidence-based policy positions and take steps to restore the reasoned policymaking in government that citizens and the country sorely need? It is too soon to tell.

Companies' traditional approach has eroded public support for business. When corporations and their leaders adopt a principled stance in public yet their political spending supports the opposite, then trust in business is seriously eroded. This approach is not only indefensible from an ethical standpoint, it's also bad for business.

This scenario was common before the November elections. Numerous companies faced accusations of hypocrisy for making commitments to [address climate change](#), while having contributed to climate deniers who opposed sound policy. [Other companies advocated](#) reducing racial inequality, but then helped elect state legislatures that engineered racial gerrymandering. And still other companies publicly supported improvements in U.S. health care, but then helped elect attorneys general who are trying to dismantle the Affordable Care Act.

Conflicts between rhetoric and political spending have continued in the post-election period. When more than [160 top business leaders](#) signed a

November letter calling on the Trump administration to accept the election results and begin an official transition, it was a major step forward for business. Yet at least four of the CEO signers came from companies — Mastercard, Visa, The Travelers and Marsh & McLennan — that contributed more than \$500,000 to the Republican Attorneys General Association over the past two election cycles. In this period, RAGA supported [17 state attorneys general who recently joined Texas](#) in asking the U.S. Supreme Court to allow four state legislatures to reverse the 2020 presidential election results. Fortunately, the court quickly dismissed the case.

Capitol riot: [Trump's exit won't end the far-right violent terrorism threats he fueled](#)

In another example, [more than 40 companies](#) recently called for the United States, under Biden, to rejoin the Paris climate accord. Yet 10 of these companies donated more than \$864,000 to RAGA for the 2018 election cycle. The group supported the election of seven state attorneys general who have sided in court with Trump's weakening of clean car emission standards, undermining the aim of standards in the Paris accord.

Corporate political spending

In the case of the storming of the Capitol, 38 corporations and seven trade associations contributed \$100,000 or more to RAGA in the 2020 election cycle. And the Rule of Law Defense Fund, a 501(c)(4) arm of RAGA, [sent robocalls](#) to individuals urging them to attend the March to Save America that culminated in the Capitol attack. These companies included Anthem (\$336,025), Altria (\$335,154), Comcast (\$315,000), Walmart (\$270,100) and AT&T (\$215,000). The trade associations included the U.S. Chamber of Commerce (\$750,375) and the Pharmaceutical Research and Manufacturers

of America (\$136,025).

Business today is the leading source of money in elections and lobbying in the United States. Unfortunately, corporate funding has contributed to degrading our democracy, failing to advance sound policy and backing partisanship rather than improving the environment for business.

Modest reforms can help reverse this trend. By aligning company values with their areas of political influence and spending, companies can advocate policies that advance both business and public interests and also support their own stated values. The new 2020 [Model Code of Conduct for Corporate Political Spending](#), by the Center for Political Accountability and the Wharton School's Zicklin Center for Business Ethics Research, offers a set of new standards for political involvement by business. These include greater transparency and accountability for political spending and related reforms recommended in a recent [Harvard Business Review article](#).

[Trump's lies: Trump's 5-year campaign of lies led to the Capitol attack. And we just let it happen.](#)

The United States is in the grip of multiple crises, from rioting mobs at the Capitol and the historic second impeachment of a president to a devastating pandemic, a sharp economic downturn and months of civil unrest over police violence and racial inequality. Each day, businesses are asked to take a stand. If companies could shift from supporting partisanship to pro-citizen legislation and political practices, business would begin to reclaim the trust and support of Americans. Moreover, a shifting role of business in politics would put our nation on a path to ending gridlock and enacting sound policies that address the many intractable issues of the day. This needs to start with their political spending.

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