

Corporate sedition is more damaging to America than the Capitol attack

[Robert Reich](#)

Kyrsten Sinema receives millions from business and opposes progressive priorities. Republicans who voted to overturn an election still bag big bucks. Whose side are CEOs on?



Senator Kyrsten Sinema boards an elevator at the US Capitol. Photograph: Elizabeth Frantz/Reuters

Sun 16 Jan 2022 06.00 GMT

Last modified on Sun 16 Jan 2022 06.01 GMT

-

Capitalism and democracy are compatible only if democracy is in the driver's seat.

That's why I took some comfort just after the attack on the Capitol when many big corporations solemnly pledged they'd no longer finance the campaigns of the [147 lawmakers](#) who voted to overturn election results.

Well, those days are over. Turns out they were over the moment the public stopped paying attention.

A report published last week by [Citizens for Responsibility and Ethics in Washington](#) shows that over the past year, 717 companies and industry groups have donated more than \$18m to 143 of those seditious lawmakers. Businesses that pledged to stop or pause their donations have given nearly \$2.4m directly to their campaigns or political action committees (Pacs).

But there's a deeper issue here. The whole question of whether corporations do or don't bankroll the seditionist caucus is a distraction from a much larger problem.

The tsunami of money now flowing from corporations into the swamp of American politics is larger than ever. And *this* money – bankrolling almost all politicians and financing attacks on their opponents – is undermining American democracy as much as did the 147 seditionist members of Congress. Maybe more.

The Democratic senator Kyrsten Sinema – whose vocal opposition to any change in the filibuster is on the verge of dooming voting rights – received [almost \\$2m in campaign donations in 2021](#) even though she is not up for re-election until 2024. Most of it came from corporate donors outside Arizona, some of which have a history of donating largely to Republicans.

Has the money influenced Sinema? You decide. Besides sandbagging voting rights, she voted down the \$15 minimum wage increase, opposed tax increases on corporations and the wealthy and stalled on drug price reform – policies supported by a majority of Democratic senators as well as a [majority](#) of Arizonans.

Over the last four decades, corporate Pac spending on congressional elections has more than quadrupled, even adjusting for inflation.

Labor unions no longer provide a counterweight. Forty years ago, union Pacs contributed about as much as corporate Pacs. Now, corporations are outspending labor by [more than three to one](#).

According to a landmark [study](#) published in 2014 by the Princeton professor Martin Gilens and Northwestern professor Benjamin Page, the preferences of the typical American have no influence at all on legislation emerging from Congress.

Gilens and Page analyzed 1,799 policy issues in detail, determining the relative influence of economic elites, business groups, mass-based interest groups and average citizens. Their conclusion: “The preferences of the average American appear to have only a minuscule, near-zero, statistically non-significant impact upon public policy.” Lawmakers mainly listen to the policy demands of big business and wealthy individuals – those with the most lobbying prowess and deepest pockets to bankroll campaigns and promote their views.

It's probably far worse now. Gilens and Page's data came from the period 1981 to 2002: *before* the supreme court opened the floodgates to big money in the Citizens United case, before Super Pacs, before “dark money” and before the Wall Street bailout.

The corporate return on this mountain of money has been significant. Over the last 40 years, corporate tax rates have plunged. Regulatory protections for consumers, workers and the environment have been defanged. Antitrust has become so ineffectual that many big corporations face little or no competition.

Corporations have fought off safety nets and public investments that are common in other advanced nations (most recently, Build Back Better). They've attacked labor laws, reducing the portion of private-sector workers belonging to a union from a third 40 years ago to just over 6% now.

They've collected hundreds of billions in federal subsidies, bailouts, loan guarantees and sole-source contracts. Corporate welfare for big pharma, big oil, big tech, big ag, the largest military contractors and biggest banks now dwarfs the amount of welfare for people.

The profits of big corporations just reached [a 70-year high](#), even during a pandemic. The ratio of CEO pay in large companies to average workers has ballooned from [20-to-1 in the 1960s, to 320-to-1 now](#).

Meanwhile, most Americans are going nowhere. The typical worker's wage is only a bit higher today than it was 40 years ago, when adjusted for inflation.

But the biggest casualty is public trust in democracy.

In 1964, just [29%](#) of voters believed government was "run by a few big interests looking out for themselves". By 2013, [79%](#) of Americans believed it.

Corporate donations to seditious lawmakers are nothing compared with this 40-year record of corporate sedition.



Campaigners target senators Ted Cruz and Josh Hawley, near the US Capitol. Photograph: Ken Cedeno/REX/Shutterstock

A large portion of the American public has become so frustrated and cynical about democracy they are willing to believe blatant lies of a self-described strongman, and willing to support a political party that no longer believes in democracy.

As I said at the outset, capitalism is compatible with democracy only if democracy is in the driver's seat. But the *absence* of democracy doesn't strengthen capitalism. It fuels despotism.

Despotism is bad for capitalism. Despots don't respect property rights. They don't honor the rule of law. They are arbitrary and unpredictable. All of this harms the owners of capital. Despotism also invites civil strife and conflict, which destabilize a society and an economy.

My message to every CEO in America: you need democracy, but you're actively undermining it.

It's time for you to join the pro-democracy movement. Get solidly behind voting rights. Actively lobby for the Freedom to Vote Act and the John Lewis Voting Rights Advancement Act.

Use your lopsidedly large power in American democracy to protect American democracy – and do it soon. Otherwise, we may lose what's left of it.

- Robert Reich, a former US secretary of labor, is professor of public policy at the University of California at Berkeley and the author of [Saving Capitalism: For the Many, Not the Few](#) and [The Common Good](#). His new book, [The System: Who Rigged It, How We Fix It](#), is out now. He is a Guardian US columnist. His newsletter is at robertreich.substack.com

<https://www.theguardian.com/commentisfree/2022/jan/16/corporate-sedition-capitol-attack-democracy-political-financing-donations-sinema-voting-rights>