

Business as a Political Actor: Responsibilities in a Democratic Society

Comments on Amit Ron and Abraham A. Singer's, *Everyone's Business*

Business Actors' Democratic Obligations

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Abstract: This commentary examines Ron and Singer's *Everyone's Business* (2024), which integrates business ethics into democratic theory by framing corporate obligations through power and democracy. While their account identifies three duties – respect for democratic outcomes, reflection, and publicity – it raises concerns about vagueness, priority, and the nature of these obligations. Focusing on lobbying, I argue that their reliance on Warren's conception of corruption provides limited normative guidance in contexts where corporate influence is overt and legally sanctioned.

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Ron and Singer's *Everyone's Business* is a fascinating read for different kinds of audiences. For students of business ethics, it offers a compelling reconstruction of the subfield's main issues, as well as a novel approach to them. For political theorists, it contributes to a better integration of business ethics into their field by looking at it through the lenses of power and democracy, which the authors foreground. For a general audience, the book clearly shows why it is *our* business that business actors be constrained by ethical norms and evaluations. The book is organised in two uneven parts. While the first one reconstructs the existing approaches in business ethics and outlines the authors' innovative *political* and democracy-based account, the rest of the book illustrates the implications of this account by elucidating business actors' three basic obligations toward democracy in various contexts, such as lobbying, marketing, boycotting, and workplace relations.

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Ron and Singer's original starting point is the problem of corporate power and the threat it poses to democracy by affecting "how we create and establish law, how we relate to one another within society, and the degree to which communities are able to govern themselves" (p. 4). Their answer is straightforward: business actors have "an overarching responsibility" to avoid undue influence over democratic procedures (p. 4). Thus, contrary to other influential approaches in business ethics, the authors contend that corporate actors should be wary of their power and abstain from unduly influencing democratic processes, rather than actively pursue social justice solutions. Does this mean that corporate actors only have negative obligations? Not exactly.

This short paper zooms in on the content of the democratic obligations Ron and Singer attribute to business actors. I will briefly introduce the structure of the authors' argument and then highlight at some concerns that a democratic theorist might have in its regard.

Ron and Singer propose to look at the establishment of free markets as the product of a social subcontract: "societies subcontract the achievement of certain important social goals to this domain of activity we call the market" (p. 50) and its autonomy is justified only insofar as it effectively achieves these ends in a manner that is "compatible with, and not disruptive of, other important social ends" (p. 51), among which the authors enlist democracy and justice. The free market, therefore, is a given in their account, and while it should be regulated in order to make it compatible with democratic principles and procedures, the assumption is that such compatibility is in principle possible. Consequently, business not only has a first-order obligation to abide by the rules, but also a second-order obligation to respect the democratic process through which the rules are made. In other words, "businesses have obligations to underlying democratic principles that go beyond any obligations they might have to the particular laws and regulations that govern their conduct in some specific place or context" (p. 53). For this compatibility to be possible, regulations are not sufficient: there is an important role for business ethics because "a space for discretion and prerogative is unavoidable", hence "we must ask what the acceptable ethical bounds are within which that discretion can be exercised" (p. 31). Naturally this raises some concern regarding nondemocratic countries, which the authors discuss (p. 190ff), but for the purpose of this commentary I will restrict myself to democratic ones.

From what I understand, the argument is thus structured. Democracy is a "means of making decisions" which consists of three commitments: "a commitment to accessible and competitive elections, votes, and representative government; a commitment to the free flow of information, ideas, and opinions; and a commitment to the freedom to signal discontent through nondeliberative demonstrations" (p. 60). These commitments derive from the need for democracy to offer an egalitarian and reflexive solution to the fact of disagreement: since we have diverging views about what matters and how to live, democracy, intended as the three commitments mentioned above, is our only way to find exploratory and always changeable sets of institutions that allow us to live together despite our disagreements. The problem with business actors is that their decisions inevitably influence and shape the democratic procedures that determine the social subcontract from which their legitimacy derives. A commitment to democratic principles and procedures, therefore, entails three duties business actors have: a duty

to respect democratic outcomes; a duty of reflection (i.e., to be aware of how they can affect democracy, thereby treating their effect on democracy as “a crucial part of intracorporate deliberation” (p. 62); and a duty of publicity (i.e., “to make public the relevant details of such democracy-affecting behaviour, and to offer reasons that are scrutable to the public for what they are doing”, p. 63).

Setting aside the first duty demanding business actors to abide by democratic laws, a democratic theorist's first concern is that all this is sufficiently vague to be either incredibly demanding or relatively trouble-free. After all, if democracy is concerned with “equalizing the balance of power, and undermining sources of entrenched power” (p. 56), business actors may be required either to do a lot (like lobbying in favour of a law to severely restrict lobbying) or do very little – if only “grave inequalities in power and influence across citizens are offensive to democracy” (p. 56), there seem to be plenty of inequalities business actors can live with. Let us call this the concern of vagueness.

Furthermore, the authors are never fully clear about how important business actors' democratic commitments should be in their deliberation. On the one hand, it seems that, as free markets' legitimacy derives from democracy, business actors' responsibility toward democracy should take precedence over anything else (p. 4) and such responsibility entails a commitment to realising empowered inclusion of people in both formal and informal decision making (p. 197). On the other, if their specific duties only recommend reflection and publicity, they may still publicly deliberate against democracy¹. Let us call this the concern of priority.

A third and slightly different concern is whether respecting these democratic duties only requires corporate actors to refrain from unduly influencing democratic decisions or whether they should actively take part in the democratic process in order to equalize the balance of power (p. 56). On the one hand, Ron and Singer rightly point out that businesses can influence politics without intending to (p. 17) simply by operating their own decisions that affect many people's lives, and thus it seems that simple restraint is unavailable. On the other, the authors also caution the readers about corporations' profit seeking as a source of suspicion in any corporate involvement in politics even with the best, egalitarian intentions (p. 194). Let us call this the concern of nature.

To test these concerns, let us see how Ron and Singer's view plays out in specific cases, which are extensively assessed in the rest of the book. In this contribution, I will focus on lobbying as it is an emblematic way in which business can influence politics, although – let me note in passing – an even more interesting case the authors do not discuss would have been political campaign finance. Ron and Singer define lobbying as “engaging in written or oral communication with public officials (of any branch) in order to affect the formulation, modification, adoption, or execution of a governmental law, rule, or program, or the appointment of people to public office” (p. 83). The standard of behaviour for business actors they offer centres on anticorruption, which – they claim – stems from business' second-order obligations toward democracy. In other words, it is neither truth nor the public interest that should set the standard of legitimate lobbying, but the democratic process itself, the corruption of which must not take place through lobbying. The plausible rationale is that lobbying offers too much precious information for lawmakers to make it entirely illegal; while representing one of the most powerful

ways businesses affect the rules and regulations that are supposed to constrain them, thereby corrupting democratic rule making. What does this mean in practice, though?

The line of argument the authors propose is somewhat convoluted. After defining democracy in a previous chapter as a set of three commitments, entailing “equalization in political access, a preference for equality in social relations, and a resistance to entrenched elite power” (p. 12), they do not return to this conception but instead propose a new one, modelled after Warren’s “problem-based” view (Warren, 2017)². According to what they call this “problem-solving model of democracy”, “there is no one right way to solve problems democratically” (p. 95) because democracy rather requires experimentation and the capacity to reflexively adjust second-order procedures in light of a democratic criterion of empowered inclusion in agenda setting and decision making.

Practically, this means that, since different contexts will require different democratic institutions, there is apparently very little a theorist can say about which second-order procedure is democratically legitimate and which isn’t, as this is for democracy to determine (p. 102). Yet the authors then adopt Warren’s conception of duplicitous exclusion as their criterion for identifying corrupt behaviour (p. 96). This is puzzling, since Warren makes no reference to reflexivity: for him any action that unjustifiably and hypocritically instantiates an exclusion to the detriment of the interests of people who would have a right to be included counts as corruption, regardless of whether this is grave enough to undermine democracy’s problem-solving capacity (Warren, 2004). The types of corruption that Ron and Singer then enlist (that is, epistemic, representational and access corruption) clearly qualify as duplicitous exclusion but it is far from self-evident that they also undermine reflexivity.

Furthermore, even Warren’s view of corruption may seem insufficiently demanding for someone who sees democracy to entail a resistance to entrenched power: because the duplicity is essential in his definition of corruption, Warren’s view appears unable to flag out actions that explicitly exclude some people while failing to pay lip service to the principle of political equality, like corruption taking place in non-democratic contexts (Ceva and Ferretti, 2021, p. 122). Similarly, in what has traditionally been considered a democratic country like the US, corporations are legally free to spend unlimited amounts of money in campaign finance thanks to a Supreme Court ruling called *Citizens United v. FEC* (Dawood, 2015). Not only has this opportunity reshaped political campaign finance, drowning it with ever-growing sums of money, but such unlimited spending seems to be at the same time overt and deeply problematic for a conception of democracy centred on empowered inclusion on egalitarian grounds. As Phil Parvin observes, “The fact that business taxes are so low in the USA, that workplace democracy, labour unions and workers’ rights are weak, and that large corporations benefit from so many opportunities to insulate their wealth through complex legal and economic mechanisms, cannot be disaggregated from the fact that business corporations in the USA are allowed relatively easy access to elected politicians and are able to influence policy-makers through direct lobbying and the financing of election campaigns” (Parvin, 2023, p. 239).

Put differently, if what we are worried about is democracy’s problem-solving capacity (regardless of the content of democratic decisions taken), duplicitous

exclusion is too strict a standard. But if we care about democracy's preference for equalization of political power, then duplicitous exclusion is not enough, as corporate actors can bend the political process in their favour in a very legal and overt way.

Ron and Singer conclude the chapter by restating that it is the "opacity of business lobbying influence" (p. 102) that makes it corrupt. And this certainly squares well with their idea that corporate actors have a duty of publicity. However, their account seems unable to provide normative guidance in a context in which business influence in politics is plainly visible. When all tech leaders are personally and exceptionally invited to a president's inauguration day and this president subsequently attempts to pass a law forbidding any regulation of AI companies, business influence is far from opaque. Politicians may be held accountable through elections, but this is not the case for corporate actors.

The example of lobbying, therefore, does not seem to ease any of the worries I listed above. Corporate actors should not simply refrain from lobbying, while the publicity of their conduct seems insufficient to make it automatically compatible with the empowered inclusion democracy should guarantee (even if it does not affect reflexivity). In conclusion, while Ron and Singer's book represents a pioneering and fascinating attempt to integrate business ethics within democratic theory, more work is required to offer a convincing account of corporate actors' duties toward democracy.

Notes

¹ See Peter Thiel's explicit criticism of democracy: <https://www.theatlantic.com/politics/archive/2023/11/peter-thiel-2024-election-politics-investing-life-views/675946/>.

² They seem to overlook the fact that this problem-based view, in Warren's intentions, was meant as a novel approach to democratic *theory*, rather than as an approach to democracy itself, in opposition to a more traditional model-based view of democracy, which the authors deploy here.

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