

Caught in the In-Betweens: *The Tensions and Relationships between Corporations, the Republican Party, and Social Issues in America*

There's a particular kind of cynicism possessed by young Americans who became politically aware under Donald Trump's presidency. It's a potent combination of hesitancy and hope, both dulled and sharpened by a lack of faith in our institutions.

I am one of those young people. I could list numerous ways that Trump and his government impacted my political perspective. However, two stand out: a distrust of corporate social action, and a suspicion of political parties, especially the GOP. Over the last five years, I became especially disillusioned with the parties' degrees of failure to regulate corporations. I began to recognize corporations as a crossroads of inequality, where wealth and income disparity, climate crises, and the hobbling of regulatory power all meet.

Therefore, I have reacted tepidly to corporations making social statements. Groomed, bright corporate "activism" flickers across the screen, and I feel weary. I am torn between gratitude that these companies said *something* and anger that corporations are profiting from issues that caused real suffering.



(Photo captured from Nike ad campaign "[Believe In Something](#)".)

In early April, I was scrolling through the New York Times after hearing about events in Georgia, where the state's GOP passed a controversial voting reform law. I came across an [article](#) about the response of corporations to this legislation. The story described how the CEOs of Delta and Coca-Cola publicly denounced the law after sustained pressure from employees, activists, and black corporate executives. Reading the article triggered that old distrust towards corporate social rhetoric, but also curiosity upon noticing the GOP backlash against the corporations, which contradicted my view of the party's cozy corporate relations.

While reading the article, I wondered how much Donald Trump's presidency changed the relationship between corporations and the Republican party. Did his leadership create new tensions, or simply exacerbate what was already there? Beyond my intellectual curiosity was a more personal question: could corporate actions in the social and political arena ever be trusted? And *should* they?

1. Sides of a Coin

Exploring the relationship between corporations and politics inevitably highlighted the government's regulatory failures. American economic policy has generally trended with the elusive "American dream," based on the idea that the deregulated corporation will share its wealth with its loyal workers. As always, the reality of that dream is more complicated, and not half as promising.

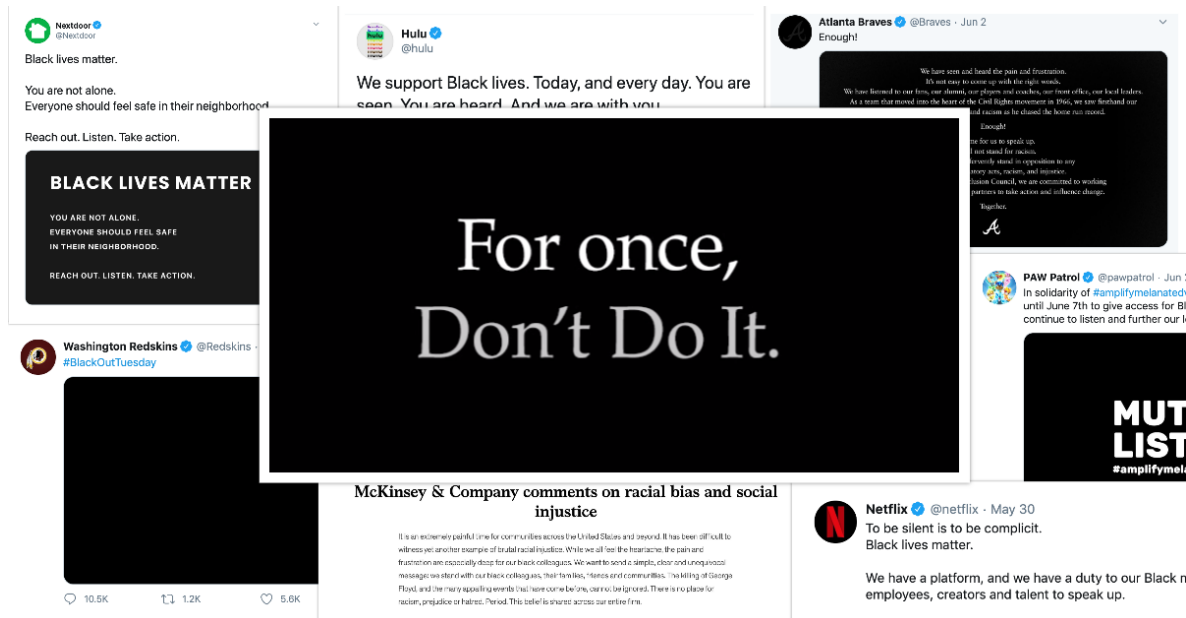
It would be tempting to paint a misleading picture of corporations as predators of political parties. In truth, the relationship is more than mutual. Corporate lobbyists extract privileges—subsidies, tax cuts, and deregulatory policies—from political parties. Politicians

and parties in turn use their regulatory power to extract money and concessions from corporations. These privileges, and this relationship, are presented as "[marketized solutions](#)" to social issues. The "revolving door" phenomenon is particularly relevant to this relationship. The phrase refers to the institutional "door" that accommodates the cycle of personnel moving between regulatory and industry positions. This practice ensures that business values become good governance, and dulls political will to enforce industry standards or environmental and labor laws.

I agree with progressive economists such as Darrick Hamilton and [Robert Reich](#), who argue that corporate money and interests are inherently damaging to sociopolitical progress. However, author and political reformer Steven Hill offered an interesting complication to this perspective. In the [chapter about campaign financing](#) in his 2006 book *10 Steps to Repair American Democracy*, Hill argued that corporate funding influence is less direct than it appears. He introduced the "Pyramid of Money," in which incumbents (who collect the majority of special interest funding) distribute corporate funds throughout the party. Hill argues that this practice, rather than direct donations, is responsible for saturating American politics with corporate money. While this does not change the problem of special interest funding in politics, it points out how the relationship between corporations and politics is far from a predator/prey dynamic.

Both institutions compete for power and influence over the other, but also have to compromise to maintain a beneficial relationship. But how often does "beneficial" get defined in terms of the needs of the *public*, the center of their operations? In answering this question, another one must be addressed: what is the corporate role in social issues?

2. Sincerity in Cash



(Collage by Nick Martin for [The New Republic](#).)

During the Black Lives Matter protests last summer, corporate statements abounded—committing, in degrees, to furthering social progress. They ranged from well-placed buzzwords to monetary donations. These efforts were met with both gratitude and derision from the movement and raised the question of if corporations should make them at all.

Opinions on if and how corporations should involve themselves in social issues vary across the political spectrum. Famous conservative economist Milton Friedman [argued that a corporation's primary and nearly sole social responsibility was to its shareholders](#). He acknowledged a limited social duty beyond that—only to avoid “fraud or deception”—and derided corporate executives who spent company money to support social causes, [calling it stealing](#).

On the more progressive side, management scholar Thomas Devinney asserts in his paper [“Is the Socially Responsible Corporation a Myth?”](#) that corporate habits and structures make their social responsibility more aspirational than executable. Unexpectedly, Devinney and Friedman agree on something: that corporate structure obstructs social responsibility. However, Devinney argues for strengthening and enforcing corporate social responsibility efforts rather than justifying their relative non-existence.

I spoke to progressive youth organizers about corporate social action, and they echoed similar views. All of them possessed explicit distrust of corporate actions. This distrust stemmed from a combination of factors: the doubt that such actions have truly benevolent and selfless intentions, the intrinsically exploitative structure of the corporation, and the inherently corrupt capitalist system in which corporations operate. However, every activist advocated for *greater* corporate social responsibility, even in the face of its serious failures. While they all acknowledged that corporate promises rarely result in any long-term improvement, they agreed that the publicity they bring can help legitimize and normalize a movement.

My alignment with progressive views was cemented by my research. However, research enabled me to see that arguments about corporate social responsibility are often a matter of degrees rather than existence. Even the self-proclaimed libertarian Milton Friedman acknowledged the presence of corporate social responsibility, although his opinion on its scope was far more restrictive.

Beyond theoretical justifications, corporations have internal motivations for getting involved in sociopolitical issues. When corporations act, publicly or privately, they do so strategically.

Two frameworks can help to analyze corporate motivations. One is corporate political activity (CPA) and the other is corporate social responsibility (CSR). Researcher Andreas Rasche explores both in his article, [“The Corporation as a Political Actor.”](#) CPA interprets corporate political involvement through *transactional* and *relational* approaches, in which the relationship is based on either short-term concessions or long-term collaboration. In this framework, corporations engage in politics almost exclusively to improve firm performance. The corporate social responsibility (CSR) framework defines corporate involvement as more nuanced. In this framework, social environment and regulatory context demand that corporations address sociopolitical issues, regardless of financial impact. An important difference between the frameworks is the involvement of the consumer-citizen. In the CPA framework, the sociopolitical moves of corporations are relatively insulated from outside pressure. In contrast, the CSR framework understands the consumer-citizen as an influence of corporate sociopolitical action. However, Rasche cautions that corporations can weaponize social responsibility as a competitive and deregulatory tool. If self-interest is the only motivator, the promising glimmer of corporate social responsibility loses its shine.

3. Quid Pro Quo

My research and curiosity about the relationship between corporations, social issues, and politics invited a better analysis of the events in Georgia.

The American GOP has a [historically pro-business political agenda](#). Since the 19th century, the party has pursued laissez-faire economic policies that minimized government influence and maximized the power of business. Post-World War II, the party advocated ideals of deregulatory free-market capitalism. The GOP fought against unionization and was hostile to

labor organizations, pulling working-class Southern whites toward the party by explicitly opposing the 1960's labor and civil rights movements. In terms of corporate influence, the [Business Roundtable](#)—a conservative group of over 1,000 corporate executives—has given significant monetary and public support to the Republican Party in pursuit of deregulatory goals. The group exercised an enormous influence on and support for Ronald Reagan's presidency. Reagan began a trend of industry deregulation and slashed tax expenses for corporations and their wealthy executives. His infamous "trickle-down" policies would benefit corporations and the rich at the steep cost of equality and wellbeing for the average worker.

Knowing this, we can place the Georgia events in context. Their interactions in Atlanta highlight tensions in the relationship between corporations and the Republican Party, resulting from increased consumer and employee demand for corporate stances on social issues. Corporations must balance the need to address these demands, maximize their profits, *and* act in the political realm to ensure their own interests. David Gelles describes how the Atlanta events highlight the conflict between these goals in his article, ["Inside Corporate America's Frantic Response to the Georgia Voting Law"](#). The Republican-controlled Georgia Senate passed a law introducing new voting restrictions, widely understood as a nod to Trump's election fraud conspiracies. Public outcry crystallized on its targeting of the city of Atlanta's majority-black population, which was instrumental for Democratic presidential and congressional victories in 2020. Even before the law passed, Atlanta activists were pressuring companies with large employment bases in the city to speak out against it. Several such corporations—such as Home Depot, Coca-Cola, and Delta—stated their support for voting rights without explicitly criticizing the law nor the Georgia GOP. Activists and employees demanded more, but what finally emboldened the CEOs of Delta and Coca-Cola was a public letter of condemnation signed

by hundreds of black executives and published in the New York Times. Following that letter, both CEOs released clear statements decrying the law. The public and private backlash from the GOP was swift. State and national leaders publicly derided and threatened the corporations, and the Georgia GOP passed a near-immediate elimination of Delta's tax cuts.



([Photo](#) by Dustin Chambers for Reuters.)

The influence of external actors in this case—the employees, activists, and other executives—demonstrates the potential of corporate social responsibility when articulated by an outside collective. Corporations cannot—and should not—operate in the vacuum that Friedman and the GOP think that they should. I would argue that successful corporations have to promote some message of (often carefully apolitical) social good. The entire pathos of marketing is based on this idea of marketable social good: *a corporation must offer a way to make its customer's life better with its product.* With this fact already in place, it's not a far leap for corporations to take clearer stances on sociopolitical issues, as is clear in the Georgia events. So why don't they do it more often?

Using the history I discussed earlier and the functions of the relationship between corporations and politics, the corporate avoidance of strong social stances amount to self-preservation. While Coca-Cola and Delta lobbyists were involved in earlier efforts to remove some of the more extreme parts of the Georgia law (including a ban on Sunday voting), both companies claimed to be obstructed by limited political capital to spend. This is especially relevant considering the singular focus with which the GOP is pursuing voting restrictions nationwide. Over 200 bills like the Georgia law are being considered in legislatures across [43 states](#). Considering the benefits they receive in the form of tax cuts and other privileges, it is easy to see why these companies would hesitate to make a decisive move.

4. Shiny Happy People

The corporate sociopolitical habits of yesteryear are in many ways no longer working, and we can see the Atlanta case as a possible emergence of a new corporate strategy. Diversity and inclusion strategist Lily Zheng argues that while corporations using CSR methods have profited well from it, old CSR methods no longer match the demands of consumers and employees. Instead, she presents a new framework: [“Corporate Social Justice”](#). It expands beyond the self-regulatory borders of CSR to a broad and explicit obligation of corporations to its employees, consumers, and the larger community. Corporate Social Justice calls for a structural embodiment, not a surface-level commitment that fluctuates with demand.

The new strategy [for corporate sociopolitical habits] shows that the strongest factor in the relationship between corporations, politics, and social issues is the consumer-citizen. This does not minimize the enormous structural advantages afforded to political systems and corporations in this relationship. The strategy merely points out that the consumer-citizen wields

enormous power to disrupt the relationship between them. The GOP's surprise at Delta and Coca-Cola's condemnation was clear. That power to shock came from external actors, not a corporate decision. Does this mean that if the public applies consistent pressure on corporations, they will begin to act with greater social responsibility? Neither my research nor I can predict that, but I can certainly envision a world where it is possible.

So, are the events in Atlanta the sign of a budding age of corporate accountability in the wake of Donald Trump? Yes, and no. The demand for public corporate statements on sociopolitical issues and subsequent corporate capitulation to that demand were definitely intensified by the current and past actions of the Trump-era GOP. With increasing political polarization, in the last five years especially, came a more consistent habit of the consumer-citizen to support brands that reflected their values. Corporations that wouldn't take some kind of public stance, even just to announce neutrality, were and are no longer trusted.

However, the tensions visible in the corporate/political relationship are also not new. They are part of a growing pattern of strain over the last few decades. The events in Georgia can therefore also be understood as part of a longer and broader trend of adaptation to an ever-changing market, even while acknowledging the surprising publicity of the corporate actions in Georgia.

And what about those cynical views I expressed at the beginning of this piece? I was able to gain more nuance and depth in my opinion, so I can now understand corporate social action as more than a glittering PR trick. Rather, I can see it as part of a complicated and evolving effort to balance the interests of the consumer-citizen, the corporation itself, and the political entities it works with. I am able to loosely envision how the frameworks I have discussed could be used to motivate more definitive corporate actions for social good. However, I doubt the chance for

significant change unless political regulatory practices and qualifiers for meaningful corporate social responsibility are radically restructured—with external, sustained collective pressure to achieve these ends. True social progress is not the job of the shiny, happy people nor the grave and dignified actors in those corporate “call to action” ads—it is the work of a broader, more complicated *us*. I hope to see that “us” realized in my lifetime.