

Ben-Ghiat & Venice Module #3 6-23-22

Elizabeth Doty: [00:00:00] Hello, and welcome to the Erb Institute's Corporate Political Responsibility Task Force Expert Dialogue Series. My name's Elizabeth Doty, and I'm the Task Force Director, and I'm delighted to be moderating today's conversation with Professor Ruth Ben Ghiat and Katherine Venice.

The Corporate Political Responsibility Task Force, or CPRT, is an initiative of the Erb Institute, a 25 year long partnership. between the Ross School of Business and the School for Environment and Sustainability at the University of Michigan. Led by Managing Director Terry Nelodov and Faculty Director Tom Lyon, the Erb Institute is known for its leadership in three areas, teaching and learning, business engagement with groups like the CPRT, and scholarly and applied research.

The CPRT's mission is to help companies better align their [00:01:00] approach to political influence with their commitments to purpose and values, sustainability, and stakeholders. As we're seeing, corporate political responsibility is an increasingly pivotal element in managing stakeholder trust, addressing systemic issues, and rebuilding public trust in institutions.

Before we dive in, I want to just share a little bit about the incredible people that we have speaking with us today. Professor Ruth Banguiet, She is a professor of history and Italian studies at New York University, who writes about fascism, authoritarian leaders, propaganda, and democracy protection.

She's a recipient of the Guggenheim and Fulbright fellowships, along with others, and has written or edited seven books. Many essays and op eds that are featured in outlets such as CNN, The New Yorker, and The Washington Post, and Business Insider. Her newest book is called Strongmen, from Mussolini to the Present, which examines how illiberal leaders use corruption, violence, [00:02:00] and propaganda to stay in power, and how resistance to them has unfolded over a century.

Including how it has changed. She is an MSNBC columnist and writes regularly for Business Insider and appears on other television networks and outlets such as Slate, Salon, and Democracy Now, bringing a historical perspective to her analysis of current events, which I think all of us can use. She also publishes

Lucid, which is a substack publication about threats to democracy, with weekly essays, interviews, and Q& As for subscribers, and we will post the link at the end of the call so you all can join that if you want to continue the conversation.

Katherine Venice is the founder of the Ethical Capitalism Group. They are pioneers in the growing effort to reform capitalism, to ensure it primarily benefits Main Street workers, worker investors, savers, pension fund beneficiaries, actual shareholder humans. Um, not just wall street shifting from what Katherine has framed as wall street primacy to true [00:03:00] shareholder and thus stakeholder primacy.

Knowing that 55 percent of Americans are shareholders, she's also pioneered the issue of economic equality inequality as a core investment concern for asset owners and guardians and the institutional investor community, running a summit at the UN in 2017, long before the investor and ESG community pick this up as a topical timely issue.

And we need to give credit to those who have foresight on things like this, and Katherine, I think you deserve a lot of credit, um, for seeing these systemic issues and bringing them to life in this community. More recently, she has focused on harnessing shareholder power to build advocacy around saving U.

S. democracy, publishing an op ed in the Financial Times, launching a coalition, and writing a really important report, which we'll share at the end of the call in January of this year about the threats to American democracy. And she does this building on a prior career as an institutional investor with three different top tier global investment management firms.

So she knows the territory, um, of which she speaks and can bring that to bear on, um, the [00:04:00] concerns and maybe some of the ways that business needs to rethink how it's interpreting, uh, current events. So thank you both.

My first question is to briefly paint a picture of promising scenarios for navigating the momentum that you've described globally and in the US. Um, and what can business and investors do?

Ruth Ben-Ghiat: One of the lessons of this is, uh, that authoritarians depend on an enormous Constellation of enablers and these enablers, uh, that are that are banks because most of the all authoritarians are glowing and they're Mussolini made the trains run on time and Hitler built the Audubon and they depend on foreign loans.

So you have this. You have, you know, banks. You have international law firms. You have people who want to do business there. And and are very [00:05:00] pro into supporting the economy and Putin's war on Ukraine. Putin never expected, nor did most people. The amount of economic sanctions and solidarity and, um, action.

That corporations all over the world took, um, and, and banks and all of these entities that contributed to this economic pushback slash warfare against Putin. And so that shows us, um, that it's not. That people can surprise you and it should never think it's inevitable. And some of it's been a little cosmetic because we read that, you know, there's a Yale study that 1000 American companies have exited Russia.

And in many cases, what's happened is that those assets have been transferred to a Russian, and so they're still operating. But, but that's, that's been an example. Uh, of businesses taking a stand abroad [00:06:00] that obviously will have to be replicated at home. Because, um, and the only other thing I'll say is I am worried.

I know he's extremely popular and every time I write about him, my, uh, inbox fills up with angry messages that I haven't seen this volume since the early Trump era. Uh, Ron DeSantis. And Ron Santus, uh, I, I see him as, as dangerous, uh, for many, many reasons, but going after Disney, going after the Special Olympics, um, all of the things he's doing, the lesson is you can't separate those moves against businesses from his ferocious, uh, attempts to persecute LGBTQ.

populations. It's all, it's all together. And one of the lessons of history is if you try and separate and say, yeah, he [00:07:00] he's he's persecuting gays, but I don't know anyone gay.

He's not gonna come after me.

That's not how it works. And Katherine's been giving that message to the number of targets always expand.

And the longer you stay silent, the more they feel empowered to do what they want to do. So I am you. I know he's very popular and he's very good at posing on Instagram with small businesses. Ron DeSantis, but he is, um, he's, he's an autocratically minded individual, um, who needs to have his, um, dominion, um, constantly nourished, which is a psychological trait of autocrats.

And that's why he goes after targets. that people think you would never go after, such as Disney and the Special Olympics. So I've got my eye on him, I've already written about him, and I'm just using him as an example.

Elizabeth Doty: Okay, thank you for that, and thank you for pointing to the indicators that raise red flags, right, despite the, um, [00:08:00] potential attacks you would receive.

Katherine, over to you, around promising pathways and what businesses and investors Companies and investors can do.

Katherine Venice: By the way, um, what Ruth said just reminded me of the Martin Niemöller, um, you know, uh, which was, he was the guy that after the Holocaust he said, first they came for the socialists and I wasn't a socialist so I didn't care and I didn't say anything.

Then they came for the, you know, the Jews and I wasn't Jewish I didn't care. Then they came for another group, then they came for another group, and finally they came for me, and there was no one left to speak out for me. So we need to start, you know, anyway, positive. Let's think like a Ukrainian here. We have to find the way forward.

Um, we have to rise to the times, rise to the challenge. So, um, defund authoritarianism. The painful point, um, is that currently corporations are essentially funding the assault on democracy, um, because they are huge [00:09:00] funders of politics, uh, including the lawmakers that are pushing authoritarianism. Um, as Bob Monks says, uh, basically corporations own the political system.

So it's It's painful position to be in because that's basically Main Street shareholders, pension fund beneficiaries, whose resources as shareholders are invested in those corporations and that's what they're funding indirectly so it's really, really quite a horrifying situation that we unintentionally have now find ourselves in.

However, I want to start off with. defunding authoritarianism. If you defund something that generally slows the thing down, perhaps it even stops it. Um, it shouldn't be too difficult. Um, now I'm gonna point us back to Leo Strine and Dorothy Lund, their January paper in the Harvard Business Review. I'm going to quote from that, basically.

There is no such thing as [00:10:00] legitimate corporate political donation program. Uh, companies should halt political spending entirely. These donations are likely to destroy value. They distract executives from focusing their attention and resources on running the company as well. Research suggests that companies that spend heavily on politics perform badly, and he's citing John Coates's, uh, research.

Um, Citizens United ultimately led to a trap for corporate management, they write. Citizens United allowed politicians and interest groups to demand that corporations give them money. That puts executives under pressure to give. Now that political donations are unrestricted, it's hard to say no. Corporate political spending cannot reflect also the diverse preferences and views.

of shareholders. I say to that, that's what we need to focus on. Let corporations and executives go back to capitalism, focus on capitalism, competing by innovating the best products and services, developing [00:11:00] the best distribution channels, the best supply chain. Developing the best talent, development processes, etc.

Not gaming tax breaks. Another really powerful positive force here is, I'm going to quote Jack Vogel, institutional investors are the most potent force in corporate America. I'm going to quote Bob Monks. Actually, this is quoting Warren Buffett, but it's in Bob Monks book. If you had the top five institutional investors, and when they saw something outrageous, The five of them spoke together, the world would change.

Um, so, look, look, and, and who are those five institutional investors answerable to? Us, Main Street, because it's our money that they're managing. So, now is the time for, how can we help? All of us. Instead of being critical of this, that, or the other, we should say, what can I do to help? And what I think we can do to help is say, right, now let's focus on those five institutional investors, on the big state, uh, [00:12:00] treasurers, the big state pension funds, the, um, university endowments, you know, pick your top 10, focus them on them and say, all right, Come on, step up, come out of the shadows, show some leadership.

And that means supporting corporations. Um, by the way, one thing I think corporations should do, what should one corporate executive do? Um, he should, he or she should go and speak to and rally around as many other corporate executives as possible. And then together, go talk to Larry Fink. Go talk to, um, you know, um, Ms.

Johnson, uh, Abby Johnson, go talk to Jenny Johnson, go talk to Tim Mortimer, go talk to, um, Tom DiNapoli, go talk to CalSTRS, CalPERS, et cetera, et cetera, and say, listen, we want your support. We want to pull the plug on corporate political spending here because democracy is at risk. Democracy is about to go down the toilet, which is not going to be very good for shareholder returns.

So you have a fiduciary duty to support us on this now, now, because it's an emergency. [00:13:00] And, you know, if corporate leaders get together and focus on those top 10 institutional investors and said, have you got our backs or not? You know, come on. And if Larry Fink tries to say, well, I don't really want to get involved in politics, you already are because corporations fund and own politics.

And by the way, they fund, Leo Strine has pointed this out, you fund more of one party than the other. So you're already involved. So what we're asking here is for you to remove yourselves, remove shareholder resources from funding this because it harms shareholder long term returns. It's a no brainer. I really want to say something very quickly.

There is an opposition to this. Um, the opposition, uh, the argument has been, and I quote sort of more or less, uh, telling corporations to stop political spending is like telling teenagers to stop having sex. This worries me a little bit. I don't think that this reflects, uh, an understanding of the magnitude and the gravity of the emergency that we are in.

I [00:14:00] don't see the analytical reasoning behind it. Let me, um, let me explain. What's the empirical data between, behind how good or bad our track record, record is as a society in terms of changing our habits, especially changing our bad habits? Here's one example. In about 1950, 57 percent of American men were regular smokers.

Now it's only about 12 percent. In emergency situations, we do suddenly radically change our behavior, such as if the building starts to burn down. Um, we also know that in emergency situations, especially when the emergency is visible, we find capabilities within ourselves that we never knew we had. In other words, like the Ukrainians on on the February the 24th, we need to rise to the challenge.

There is no alternative because the trajectory that we are currently on is horrifying. Authoritarianism is a Pandora's box of the ugliest aspects of humankind. You [00:15:00] don't take the chance of going down that trajectory.

And I, you know, it's as simple as that. This is not rocket science. And so, you know, We cannot, oh, by the way, the other important thing to point out is, and this is in Leo Strine's paper and Dorothy Lund, we're only talking about going back to the 1980s here.

In the 1980s, corporations hardly spent anything on politics. So we're just saying, let's go back to the good habit that we had, you know, a couple of decades ago. There we are.

Elizabeth Doty: Katherine, thank you so much and thank you for bringing in, uh, we were honored to have, uh, Chief Justice Strine join us on April 6th.

Um, I think you were there, um, to add color to what you just described. And when, um, and, and your proposition that companies should unite speaks to what Michael Porter said, right? Business has a shared interest in working with each other because the, the threat of stopping spending is of being picked off, of being the only one.

Right. So this is something where businesses, what makes sense to me is [00:16:00] a business has a sense to unite. And what Chief Justice Strine brought forward was going back to history, going back to old norms, but also following what John Bogle suggested, which is just build in the need to have approval from your shareholders.

And if you do go to, um, uh, to Larry Fink and to the other institutional investors, you could cooperate on saying, look, we want to elevate the fact That we cannot possibly represent all your preferences like this is this is unaccountable. And the other is that we've also had people speaking about businesses positions on attempts to create a level playing field for business not to be able to spend.

Right. So we have people on the call who have been working on that around reversing Citizens United and setting a playing field to take this off the table for business. That's another option for. for uniting. The last thing I want to say to your quote about then there was no one to come for me, the other thing in the horrible picture that you're painting that's very [00:17:00] apparent to me is you never have more freedom than now.

If it feels like you have no choice now, you're cooperating in something that will reduce the degrees of freedom is, is the message that I hear you all saying and the urgency behind using that, those degrees of freedom to reverse the direction.

Katherine Venice: And if I can just add. It's very tempting to do this thing, point our finger at them, the bad guys, this is, you know, and criticize them.

No, no, no, no. Let's point that back to me and say, what can I do to help fix this mess? If each and every one of us does that, we stand a damn good chance. And we don't have a choice here. It's

Elizabeth Doty: that simple. Let me now turn it to, uh, to you both. And Ruth, if I could start with you, um, thoughts on this, um, this last round of what business can do, can do and what we've heard in terms of one action, a place to start, uh, if you were a CEO, a board, a member [00:18:00] of a board of directors, uh, a chief officer.

Ruth Ben-Ghiat: Yes, strength is in unity. And that's a principle of mass nonviolent protest. It's a principle of business. When you when you see when the times when authoritarians have been defeated. It's about unity. So I think what what Katherine described is Is very is is very smart. The other thing is I have did not search this out, but I now have a side gig advising corporations that have what I call autocrat problems outside the state.

And they can see things they've worked on for years just boom, vanish, because these guys are highly impulsive, mercurial, vindictive, and so it's just, you don't want this in America for American business, believe me.

That's the other thing I'll say.

Elizabeth Doty: And I think what you're what you're both pointing to is the structures that enable it or [00:19:00] not obvious but they're very detectable when you look, and that idea that it can't happen here.

It's just a mistake. Okay, and Katherine, um, one, one. Invitation beyond the defund authoritarianism and get together and have a meeting with, uh, Larry Fink or your institutional investor. What should, let me challenge you to all of us as owners of diversified portfolios. What task, what step could we take knowing that we are part of this system and it's undermining our, our, our interests.

Katherine Venice: I would say if we focus on that one goal, we would go a long way. Let's say, you know, you're a customer of BlackRock or Fidelity or whatever it is. start reaching out to them, start reaching out to other people that you know are also, you know, clients of, of those entities and say, look, and then communicate, say, look, this matters.

Um, you know, this is the power of social media. And I think Ruth, you wrote a [00:20:00] post, um, recently about how social media, you know, has been used to amplify the threat of authoritarianism that didn't exist, you know, a hundred years ago. But there's a positive side there as well, which is let's use social media.

to find, you know, as many, okay, let's reach out to your fellow, you know, academics and professors that have 401ks and that are, you know, um, uh, Fidelity or a BlackRock, you know, client or whatever. Every taxpayer, every citizen in New York state, let's get a, um, get them together and start asking, hey, Tom DiNapoli, where are you on this?

Same thing in California. You know, it, it, it, it's not, we have everything we need. We have all the tools we need. This is not rocket science. It's very basic. So we just have to find ways to pull our voices in our professional networks, whatever it is, and then say, these are the guys that we need to target.

You know, the state treasurers, the Larry Finks, etc, etc. You know, and I understand in a way where they're coming from. If they're not asked to step up and show leadership on [00:21:00] this issues, why would they? Would you in their shoes? So we need to legitimize them taking leadership here by saying, hey, we need you to do this.

So it does come down to each and every one of us, each and every one of us has to be a leader in our own way, in our own little world. We're all leaders. It's, it's literally going to be in our hands to fix this mess. And I, I think we can, I really believe we can do it.

Elizabeth Doty: Thank you very much. And your, and your point about we don't have a choice if we were occupied and under, More visible autocracy people would be joining an underground, joining a resistance, right?

Like we have now, what else would you do to protect the foundations? I do want to say one thing I hear in what you're describing, Katherine, that we have the, we have the wherewithal to do this is continuity of attention. and recognizing positive moves. One thing that citizens don't do is that when someone changes in response to a request, we're on to the next thing.

Prue [00:22:00] just did this report on Justine is on the call recognizing those who have kept their promises not to fund election objectors. We can do the same.

Ruth Ben-Ghiat: Yeah, positive reinforcement is really important

Elizabeth Doty: and being able to move that needle in a way that gets a really quick decisive visible response.

Encourages more action. Justine, anything to add briefly on cruise new strategy with this promises kept report. Absolutely.

Justine: And thank you so much for this conversation. I think this goes back to the question that. that you and I have spoken about before, which is what are some of the productive intersections among activist space and corporate communities more broadly in terms of where, where, where people in the activist space can have a megaphone and can, and can prompt change and action.

So I put that in the chat that CRU is a government [00:23:00] ethics, it's a nonprofit, nonpartisan government ethics organization. And so much of this work is thinking about how we, how we have these productive conversations that hold corporations accountable, but also move the needle in ways that are productive rather than always adversarial and thinking about what that means.

So I absolutely I think this goes back to the I will just to kind of the earlier comment around, you know, removing the checks on ethical behavior and removing the social norms as a strategy for destabilizing wider society. And the question goes back then to what is the role of various and multi stakeholder audiences in promoting and upholding those norms.

Thank you

Elizabeth Doty: again. Thank you very much. I'm going to turn to you, Leah. Do you mind asking your question, um, for the group that you had asked in advance? What is the, the way you worded it was very helpful to what ways, if any, does business and capitalism [00:24:00] contribute to the rise of American authoritarianism? I know

Katherine Venice: you referenced in this conversation, kind of like corporate corporate giving didn't exist until around the 1980s.

Um, and, uh, my background, uh, Focuses on kind of the rulings from the Supreme Court and activist Supreme Court, uh, who opened the doors for corporate political giving. I'm wondering, do you see a world where businesses

actually do halt their corporate political giving in the absence of a legal route to actually regulate that.

I think that as many approaches, as many efforts are going to be helpful. Um, I recently discovered the legal effort that's going on on that front, which I think is fabulous and brilliant. I think that it's important to push from the shareholder perspective as well. You know, we are in a shareholder primacy model, version of capitalism.

That's a phenomenal tool [00:25:00] to use. I mean, let's face it. We're saying, so, you know, um, 55 percent of American households are shareholders by their 401ks, et cetera. Uh, great. That's, you know, big swathe of main street, regular people that own corporations. Fabulous. The levers of advocacy, um, that, and also the levers that allow shareholder primacy and shareholder power to be, um, uh, utilized are established.

I mean, look at the ESG community, look at the, um, phenomenal advocacy, the galvanization of resources, um, around ESG. In just the last, you know, 5, 10 years, SIF, and, you know, of course, there are a lot of problems with ESG and whatnot. But, you know, I can see very clearly that we do manage to galvanize. We do manage to use those tools to, to basically use ownership to say, all right, corporations.

You've been bullied long enough by the politicians for donations. We've got your [00:26:00] backs. Just pull the plug. It's, it's there. It's, you know, I can almost touch it. It's, it's, it's, it's, um, clear as day. I really believe that that's going to happen. I believe that it can happen if we decide that we're going to do that.

Each, each one of us, if we find A way to push towards that. Absolutely. We can, you know, it goes back to what Warren Buffett and, um, you know, and Jack Vogel said. We've got the power. If we use it, we can change it. The world can change pretty quick.

Elizabeth Doty: Katherine, thank you so much. And I actually, as you say, I can see these as complimentary and it starts to get the bullying on the table.

Right. Which we hear frequently from the executives in private conversations. Nicole, thank you. Come on in.

Nicole: So I do ESG as a job. Um, and so my question kind of relates to the plumbing in particulars of exercising that power. The difference between

political spending and lobbying. Um, there are different laws in place, different disclosure regimes, [00:27:00] different actions, they have the same corrosive effect on democracy, and one is a little bit more transparent than the other.

And I was wondering if you had any thoughts on what What can be done either by investors or direct action folk or anyone to kind of maybe pull this out into an arena with more visibility and accountability is a little bit of background. I mean I filed shareholder resolutions on this topic and talk to companies about it, but it is muddy and it is.

It is slow going as molasses, if that. So any sort of insight or the razor sharp analysis that I've heard so far

would be so welcome.

Elizabeth Doty: Our mission is, we've tried to lay the territory as corporate political activities or attempts to corporate political influence writ large. So that includes lobbying and advocacy, spending, giving through the corporate treasury and through PACs and through third parties.

But also public statements and [00:28:00] communications attempts to influence public public discourse funding of research philanthropy, you know, the all the ways of attempting to influence public affairs so I can share the framework with you. For that, and then we've been developing principles for each of those that we feel correlate with responsible and responsible actor.

So, next week we have some focus groups to try and get feedback on those principles, but more. Concretely and practically right now. One of the things that we're coming to is that around lobbying and advocacy be really helpful to have more disclosure of the position taken and the outcomes. And there are several efforts to try and do this for example there's a proposal called post map, ask, which would be where you publicly post your position and it's part of the Library Congress and you support it and Congress people can go there and you back it up, and Critics can't say you lobbied something else because you've gone out.

Right? It's a, it's beneficial for companies where they're being misinterpreted. Measuring stakeholder [00:29:00] capitalism has a metric for alignment of political influence with stated purpose and commitments. And you report wherever those might potentially be interpreted as contradictory, including third parties.

But it's including the content of your lobbying. Right. So that's one. Um, the other is on political spending. Companies can adopt the voluntary standards of the model code put out by the Center for Political Accountability in the Zicklin Center. Their model code is new and no company has really taken a, um, gone really public.

People have adopted parts of it and it has some pretty good disclosure plus accountability mechanisms for political spending. So beyond the lobbying and advocacy around the, um, around the spending. And then the last part, our work to flesh out the overarching framework for accountability. Oh, and the, and the measuring stakeholder capitalism was supported by the big four accounting firms, the world economic forum and derived from the global reporting initiative.

metric, uh, [00:30:00] 415 that was just added. So it's got a lineage. Yeah. We just need somebody to pick it up and say, use it. Okay. Thank you. Katherine, anything I, anything to add that I missed?

Katherine Venice: On the, um, lobbying versus funding. Um, you know, it's interesting. There was a point that Leo Strine and Dorothy Lund picked up on, which is to say, you know, and he says, listen, um, lobbying is, is murky when dollars are involved.

Right. But, you know, dollars shouldn't be involved in a company. If you're a big employer. That should be all it takes to get, you know, an audience with, you know, you know, with a corporation and with a corporate leader. Um, but one thing I, one thing that actually does concern me, um, is this. In terms of disclosure, disclosure is great.

Disclosure, you know, if you take a longer term picture is absolutely vital. It's, it's necessary. Um, by the way, Dr. Asland, um, I [00:31:00] was speaking to him two days ago, and he was saying, ultimately, You have to have disclosure and disclosure is very powerful, but the only problem is it takes quite a lot of time.

It takes a long time to basically clear away corruption, etc, etc. Now, my concern is that how much is disclosure, let's say, you know, a critical mass of the S& P 500. adopts the CPA framework, by the way, which is fabulous and I hope they do. How long is it likely to take them? Five to ten years, maybe? In terms of saving democracy, that's too late.

Also, When we have that disclosure, what's going to happen to that disclosure? We're going to have a massive amount of very complex data. What then? What's going to happen? For example, investment management firms or state pension firm, uh, pension funds, et cetera, would [00:32:00] need to hire. Armies of analysts to crunch the data, keep track of which company is doing this and which company is like, you know, laggard over here and, um, and et cetera, draw the conclusions and then create advocacy, advocacy around, um, you know, those, those particular corporations.

It's a mass. It's a massive amount of work to try to achieve what we would want to achieve. So, and by the way, also another slight hesitation I have is this one thing that hopefully you really latched on to about what Ruth was saying, many things is disinformation is a core weapon of an authoritarian.

So I see if we lose our democracy, I see that the authoritarian, um, and the kleptocrat cronies will utilize and misuse any disclosure, and we'll end up scoring [00:33:00] a goal. So all of that great disclosure. that we're trying to implement, that can be turned around, uh, and manipulated to achieve the opposite if we, if we're under authoritarianism.

And I would say, by the way, from the reading, you know, when you read Tim Snyder, Jason Stanley at Yale, you know, Ruth, and a myriad of other authoritarian academics, we've probably got about two years to save democracy. What I want people to start thinking about is, you know, yes, this disclosure is great, it's essential, long term, but I think if we say, in terms of saving democracy, will, you know, helping to save, helping to save democracy, um, will it, will it do anything?

And it won't because there's not enough time. I wish that the world had discovered Bruce's amazing work, for example, um, 10 years ago. You know, he's, I forget when he started out, you know, 10,

Elizabeth Doty: 15, 20 years ago. [00:34:00] 2015 and some people did, but it's been like this, right?

Katherine Venice: Yeah, yeah. And, but what worries me is that we're not seeing broad enough, quick enough adoption of Of his of his work of the framework, et cetera, et cetera.

And so that's what worries me that people will galvanize around the disclosure as they should and think that that's sufficient. It won't be.

Elizabeth Doty: That is why we've added the responsibility layer. And I think the real power in your in the system that the process you just described towards the disclosure is the employees.

Asking, are we aligned? Are the, is that spending aligned? And that needs to trigger more responsible action in the near term. We're looking for companies to take this responsibility, dimensions of responsibility, which we've included, um, not, these are words from Leo Strine, right? Championing market rules that allow companies to be rewarded for quality and innovation, not [00:35:00] externalizing costs and risks.

To have, um, business support, representative democracy, rule of law, free and fair elections, etc. To have business support, um, an informed public, civil discourse, respecting peer reviewed science, and to never do anything that increases catastrophic risk, but to safeguard the foundations of the environment, etc.

Those are the four provisions of responsible action. And what we're hoping for is that in September, October, we have a version where we're sparking Huge numbers of internal conversations to say is what we're doing violating these. And I guess my question for you all is what could we do to accelerate those internal conversations that short circuit the external stakeholders having to Figure it out pressure.

Do you guys have ideas on what we could do if I'm giving you a preview of what's in there? What could we do to prompt those conversations and the actions the courage that those would require in the short term?

Leah: I would play them in

the [00:36:00] recording of this terrifying

Katherine just said we've got two years

Elizabeth Doty: Yeah,

Julia: I actually wanted to, um, highlight another aspect of the authoritarian playbook, which is to keep us polarized, to keep us distrustful of each other and, and to not know what is true, but to also feel just very strongly the need to protect our in group.

And I think that that's, And, and be distrustful and, you know, suspicious of our out group and that's playing out within companies. And so that the polarized dynamics within companies, you know, no employee is a monolith. We all kind of come with our stacked identities. And yet, I think that kind of the political identity is kind of being subsumed because of, of, we're being Kind of forced into these camps by the authoritarian kind of system [00:37:00] that we're all marinating in.

And so I do think, and you highlighted this in a podcast that I listened to you speak at Elizabeth that I think that there's a phased approach, even though this is short term work this is urgent work but if If companies are going to create the conditions by which their employees are going to come to a recognition that they do have a responsibility for saving democracy, quote unquote, very proactively, you highlighted the fact that there's You know, programs within different companies like Allstate who are demonstrating that dialogue is possible

to then

get because it's, and it's not the dialogue is enough, but it actually primes us to then be problem solving together because it's really hard to ask people to see that your beloved political party that has been a part of your identity for years and years has been taken over by a faction, or at least to say it out loud.

So [00:38:00] people say it behind closed doors. And so I think that, that the companies are going to take a hard look

at this prepping

very well with like a phase one and a phase two of building a trusting environment. Um, to also, you know, what we hear a lot is you need to recognize like authoritarian tendencies on the left.

Um, which of course it's not co equal, the threat is not co equal, but if you start by saying like, yes, we are against all authoritarian, um, tendencies, left and right, um, and, you know, you know, let's, let's have a conversation of how this is playing out, but it takes a lot of preparation internally to make people feel safe, because I do feel that the tensions are really being lived at the C suite level, but in the, in, within the work, you know, you're, you don't know what to say to your, um, Co workers anymore.

Um, so I think it's a lot to ask without the preparation. Sorry, that was a long winded, but it's an important part.

Elizabeth Doty: I think it's really it is really [00:39:00] important. And I think it, it, it comes to I mean, Katherine, you just you exuded this when you talked about I think we can write and that decision to trust each other.

And to invest in each other, right? In those, in the conditions that allow us to find common ground. And I, I think saying, I can't trust this information source is the last step, as opposed to what do we care about? And local is really powerful. Like, okay, forget those people telling me this story locally.

What do we think these changing weather patterns or the need for cleaner energy or whatever? How is that showing up here? Is a much More functional place to sit and talk. And the beauty of this is that we're still in a period where we can create the conditions and the ground rules where people will speak to each other and change positions if they are treated with respect and you don't come in with an agenda, we would need to acknowledge.

authoritarianism, autocracy, [00:40:00] you know, unilateral power, wherever it lies, wherever it comes from, and a willingness to address it wherever it comes from, right? And then say, now, where is it right now that we would need to? But to be really demonstrating that conviction. The work

Katherine Venice: of fighting authoritarianism is really difficult.

And, you know, it starts with making that commitment that you're going to be really uncomfortable, you know, every part of you will twitch and you'll be thinking, Oh my God, I can't bear this. I can't bear to be in this room with this people, you know, talking about this, but you must find a way. You must find a way to find something to talk about to find some common ground to, you know, we are all phenomenally creative and imaginative look at look at how we all were as kids, we still have that capacity there we still know ultimately how to connect with each other.

You know, at the end of the day, you can't. remove your own humanity and [00:41:00] our shared humanity from this. The best way to beat authoritarianism and authoritarian culture is to tap into our own shared humanity and find it. And, you know, yeah, pace yourself. Yeah, you might only be able to last five minutes and then you go outside and, you know, have an allergic reaction and, and, but do make, you know, commit.

do it again, go back into that room next week, or, you know, in two days time and try again, try, try, try, um, try to build those relationships. Um, you know, I'm sure there's a lot of, uh, literature that can help, by the way, you know, what do marriage counsellors do? Um, you know, I mean, you know, what do, what do negotiators do, you know, at the UN who are in trying to negotiate with warlords?

Um, you know, there are a lot of frameworks that, that we can tap into, but at the end of the day, The best motivator in terms of beating authoritarianism isn't just this shareholder power that I'm talking about. It's our shared humanity. And if we tap into that [00:42:00] energy and focus, we'll figure this out. We will.

And, you know, we'll, we'll be surprised as Elizabeth said, you know, we'll um, you know, we'll find crikey, you know, we did find common ground. We did actually come to agreement. Don't limit, you know, let's not limit ourselves. We have been in these tribes, you know, let's break out of these tribes. It's perfectly possible, human beings are perfectly capable of doing this.

Elizabeth Doty: If this is the kind of conversation in the sense of what is most important or critical for business people to be thinking about right now, and all of us as, as participants in the financial system, please stay in touch with us. Please go to our website, sign up for future expert dialogues. In July, we'll have Yusuf Afdab, who is working on corporate political responsibility in the law.

And does this actually violate fiduciary duty to do the things you [00:43:00] all are talking about and the, and the data we have actually from Chief Justice Strine and others that it does not. We have a resource list and Katherine, I know we will be adding to it from your citations today and Ruth with your book and a blog post about indicators of authoritarianism as well from another professor that we've learned from.

Sign up for news and updates and join us if you're a company and want to work on how to unite with others to address the structural threats and risks together by agreeing on what. It defines corporate political responsibility and then putting it into practice. Also I highly encourage you to follow the work that both of our guests have been advancing and with deep respect for the dedication and effort and hours and heart that you all have brought to this.

Professor Brugilde has Her webpage, um, which has quotes and interviews and how often she's, um, speaking in the news to topical events with this larger perspective, as well as the book, which I think everyone now will see, uh, the need to read and recognize these patterns. For Katherine, this January report

does an [00:44:00] incredible summary of the things that she talked about today, and I think that's very important reading.

I encourage you to sit down while you read it, it's very troubling. But as we've said, if we do not face the magnitude of the stakes, we won't take the right action, right? We'll fall into blaming this group or that group. Thank you once again for all you've brought to this and to all of you for staying in and doing this work and committing yourselves.

Ruth Ben-Ghiat: Thank you everybody.

Katherine Venice: Bye for now. Thank you all for joining us. It was lovely to be with you all.