.PUBLIC OPINION AND CORPORATE EXPRESSION: IN SEARCH OF THE COMMON GOOD.

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Among the main political issues this election year is the subject of corporate social responsibility or "stakeholder capitalism," the idea that prosperous business owes something to society, which is a shift from concern for shareholders to a broader regard for the public as stakeholders. How much of this is going to be a real demand by the public in the near future, how much the discussion is a reflection of media "talk," and how corporate elites will navigate the politics of consent embedded in this issue - these are all up for debate.

How do polls fit in this political landscape? client-initiated or 'proprietary' polls that appear to advocate specific public policy goals? That's the subject of this article.(*)

American public opinion has come full circle in the past 20 years on the issue of what prosperous business owes the public. The image in the public mind of a corporation telling policymakers how they ought to vote, especially about health and environment, has often had the appearance of being contrary to consumers' best interest. At the same time, many grassroots or grasstops advocacy campaigns by citizen groups representing the so-called "values" of the "public" also may appear to favor business interests.

The relationship between corporate philanthropy and public interest advocacy campaigns targeting specific policy goals is not clear to either legislators or to the interested publics. Consequently, polls conducted, published and analyzed by media carry enormous power. They tell the public not only what to think about, but what they think about what they're thinking about.

By contributing to political action committees and through corporate lobbying, business has been an effective public voice for the benefit of shareholders. Today the public seems to demand that business expand its concern for shareholders to include all stakeholders. Citizen groups have brought into the cultural mainstream the idea that successful businesses bear a social obligation to serve the common good. The politics of commerce now requires not only ethical behavior but a demonstration of civic conscience. As Peter Berger observed, "The democratic political culture tends to raise public hopes for prosperity, and business cannot separate itself from the social capital or economic culture which contributes to its prosperity."[1]

There is some evidence that polls are entering a mature market phase. The strategy of using public opinion polls as a tactic to target legislators began in the early seventies and became highly developed in the eighties. During the Clinton Administration's Health Care Reform Initiative, grassroots lobbying reached a new level of sophistication. Employing interactive telecommunications, the public could register its opinion directly with the policy makers, bypassing media and pollsters, and instantaneously support or oppose specific provisions.

Based on my qualitative research, it appears that the legislative staff of the U.S. Senate and House of Representatives, often experts in very narrow areas of law and regulatory climates, perceive "public opinion" as being less truth than advertising. Policy experts who are the targets of polls tend to construe "most" or "99%" of polls to be the work of special interest groups.

Public opinion is ranked lower in terms of its influence on legislative decision-making than are interest groups or media, according to a poll of Congressional representatives. In a survey of Congress conducted by former Congressman Orval Hansen (between December 1994 and February 1995 by his Columbia Institute, in conjunction with the Harvard School of Public Health and funded by the Kaiser Family Foundation), the role of literally "hundreds of" interest groups was the most significant factor influencing decisions about public policy, according to respondents. The media were the second most influential, and polls the third most influential factor in decisions about public policy, although Republicans ranked polls as being more important than did Democrats.[2]

Public opinion may mean more in business circles these days than in Congress. Corporate Social Responsibility refers to a combination of elements that acknowledge the importance of external publics, including community relations, business practices, employee relations, and research and development. Of these business practices, employee and community relations are given the highest priority. The U.S. Council on Foundations has several projects contributing to a broadening definition. One project maps strategies for corporations using grantmaking to affect public policy. These are:

1. Public Education, on a range of social issues including health.

2. Research, including funding of polls.

3. Advocacy Organizations, including groups that lobby.

4. Direct, planned partnerships with Government, for improvement of education and management in the public sector.[3]

THE SOCIAL CONTRACT

The social contract between business and society is debated along partisan lines. Conservatives say corporations undermine capitalism by supporting nonprofit, public interest advocacy groups. Liberal arguments propose that the private sector must carry out obligations to employees and the communities where business operates. The conservative majority in Congress has introduced a constitutional amendment that proposes to prohibit any nonprofit group receiving government money from advocating positions to the Congress. Whether or not the "Hyde- Istook" amendment passes, its existence sharpens public attention on the need for private support for nonprofit groups.

A survey conducted in 1994 by Roper Starch Worldwide for Cone Communications of Boston and a separate one conducted by Walker Communications of Indianapolis (Cone and Walker are communications firms specializing in cause-related marketing campaigns) suggest that the public may expect business to succeed where government has failed to solve social problems. The Cone-Roper Benchmark Survey showed an opinion gap between what the public thinks business should be doing and what it is doing. According to the survey, the public believes business should work harder to solve crime, the quality of the environment, homelessness, child abuse, the quality of public education, drug abuse, poverty and hunger. Lesser but noteworthy gaps between what business does and what it should do were reported for the quality of care for senior citizens, medical research for cancer, Alzheimer's, AIDS, illiteracy, and child care. This data suggest that privatizing the jails, welfare, education, and low income housing is something business should get involved in, and there is of course considerable debate about that.[4]

Recent research reports by two elite business advocacy groups support these findings by Roper, Cone, and Walker. The Conference Board and Business Roundtable, representing most of the leading Fortune 500 CEOs, concluded that evolving public expectations of business vis- a-vis social issues have altered the ethical consensus critical to economic and political policy proposals. The Board and Roundtable report four major findings:

1. The growing tension between private interest and unmet social needs has broadened the social "causes" available to business.

2. Ordinary people associate the ethical administration of a political system with the efficiency of the economy.

3. Governmental conflict, particularly when rancorous or long-standing, undermines public confidence and contributes to a culture of disbelief in traditional social institutions.

4. Corporations operating in developing countries with a "First World" mindset can expect cultural conflict, as social issues become globalized through shared technologies and workforce.[5]

Based on focus groups and interviews with CEOs of the Fortune 500, the Board and Roundtable concluded that private enterprise will need to bear an increased social burden. Operating in enlightened self- interest, they argue that business is one of the "few functioning" forms of social as well as economic organization in which people trust. Other polls contradict their conclusions about public confidence in business institutions.

As an important poll last spring by The New York Times revealed, American confidence in the economy hinges on three traditional beliefs:

* Every generation would steadily improve its standard of living.

* A college education would help the middle class escape poverty.

* The company was a "family" and loyalty would be rewarded.

These cultural beliefs about the American political economy have been shaken by recent trends and events. For the first time in U.S. history, as productivity rises, average real wages are in decline. Despite a strong economy, layoffs are increasing, driving stock prices up, at the same time that U.S. executive pay exceeds that in other countries. In the past fifteen years, more than 43 million private sector jobs have been lost; another 450,000 jobs were cut from government. Companies that for generations had been household names eliminated unprecedented numbers of jobs in the past four years.

* AT&T eliminated 30% of its workforce or 123,000 jobs.

* IBM eliminated 35% of its workforce or 122,000 jobs.

* General Motors eliminated 29% of its workforce or 99,400 jobs.

* Boeing eliminated 37% of its workforce or 61,000 jobs.

* Sears Roebuck eliminated 15% of its workforce or 50,000 jobs.

* Digital Equipment eliminated 26% of its workforce or 29,800 jobs.

* Lockheed eliminated 17% of its workforce or 29,100 jobs.

* McDonnell Douglas eliminated 20% of its workforce or 21,000 jobs.

* Eastman Kodak eliminated 13% of its workforce or 16,800 jobs.

According to The New York Times, the jobs disappearing are higher- paid, white collar, many at larger corporations, affecting women as well as men, many at the peak of their careers. There is some question about whether the new jobs being created are comparable to those lost.[6]

The American disbelief in its own cultural myths based on the economy has affected its political culture, as Daniel Yankelovich has observed, releasing a "floating anger" resulting in "scapegoating," targeted variously at foreign countries, immigrants, blacks, women, corporations and the government itself. Yankelovich directly attributes the rise of militia and hate groups, those linked with the Oklahoma bombings and similar incidents, with this pervasive suspicion, hostility, and a lack of public belief in the economic and political systems of the democracy. "Understanding public attitudes about the economy depends on understanding why people are as anxious as they are," he wrote. "The problem is more broadly rooted in social, political, and cultural change, not just narrow economic problems."[7]

MEASURING CORPORATE CITIZENSHIP

Given this climate, social causes are becoming less a short term sales device than part of long-term strategic business planning.

Over the past year, 16 multinational corporations have initiated a research coalition through the U.S. Council on Foundations called the "Measuring Corporate Citizenship Project." It will generate ways corporations can demonstrate the effectiveness of their programs to shareholders and the general public. According to the Council, "citizenship programs are becoming accepted as activities important to the business success of corporations." The Project will attempt to define "exactly how...corporate citizenship benefits the firm."

Media polling brings these two perceptions closer together, narrowing the gap between expert and the public, but that doesn't necessarily mean that more people will agree on policy goals or that volatile social issues will become more manageable. Misperceptions about business influence over government grow from mistrust about corporate motivation, and suspicion that the company is taking sides, buying votes, or in some other way covering up its influence over public policy.

One issue that troubled the Project of the Council on Foundations was the question of where corporate money to support political activity should come from, whether from a separate corporate foundation, marketing department, public affairs or government relations office. AT&T uses its foundation for public policy grants "only when the re-suits can be made available to the general public." Whether the corporation is to help bring together both sides of the debate - or to balance contributions so that conservatives and liberals are equally supported, it is important that the corporation not be perceived as taking sides.[8]

One conservative research organization has alleged that corporate philanthropy undermines free market enterprise. According to an annual survey conducted each year for about a decade by the Capital Research Center, there is a substantial bias in favor of liberal causes over conservatives ones. The Center proposes that business take a hard look at the political consequences of giving to nonprofits advocating universal healthcare, environmental protection, and affirmative action. The Center's data suggest the overall number of corporations involved in giving has doubled in the past two years, while the total amount of giving has remained level.

The politically charged climate of this election year makes business philanthropy an easy target for such critics: for example, Exxon gives to the Environmental Law Institute, a group associated with holding Exxon criminally responsible for the Valdez oil spill. Three leading financial institutions, BankAmerica, Fannie Mae and J.P. Morgan, contributed $80,000 to the Association of Community Organizations for Reform Now (ACORN), a community development organization. And Atlantic Richffeld and Chevron are contributors to the National Audubon Society, opponents to legislation to open the Arctic National Wildlife Refuge for oil exploration.[9]

THE EXPERT-PUBLIC OPINION GAP

The connection between corporate philanthropy that the public would recognize as "socially responsible" and the 300 nonprofit interest groups funded by $36 million from the largest 250 U.S. corporations last year investigated by Capitol Research is blurred by what Daniel Yankelovich defines as the "expert-public opinion gap." Those who think there are too many polls tend to think policymakers ought to vote on conscience because they know more than the public. Yankelovich thinks that "the polls are often misleading to policymakers," because the public is not fully aware of the consequences and the tradeoffs that are involved in a national policy."[10]

The "expert-public opinion gap" is supported by findings in a recent Roper telephone questionnaire conducted for the Freedom Forum this Spring (funded by the Gannett news enterprise). Its poll of 1200 adult Americans found that:

* 82% of Americans said they had not read any books in the past year about politics, government or political figures.

* 48% could not recall the name of the Speaker of the House, Newt Gingrich.

* 59% could not recall the name of the then-Senate majority leader Bob Dole.

* But 67% knew which political party held the majority in the Senate and 54% knew which held the majority in the House.

Among this group surveyed by Roper, the "confidence index" is most telling: those questioned put greatest faith in: first, the U.S. military (46%); second, the medical profession (35%); third, organized religion (25%). Fourth, in order of descending confidence, President Clinton and Congressional representatives as individuals, rated equally (15- 16%), with big business a close fifth in lowest confidence (13%). Those least trusted were the U.S. Congress and lawyers (both 6%). Public distrust of Congress, government and business as institutions is greatest among those least informed. In turn, that group is most vulnerable to negative advertising by political candidates, and exaggerated claims based on false or misleading data published in the popular press about what the public thinks. At the same time, those who are most knowledgeable, the policy experts, trust their constituents or the "public" least.[11]

As the data demonstrate, public opinion about the government is difficult to separate from each person's experience of the economy. In an effort to report on the current climate of public opinion about corporate restructuring in the U.S., The New York Times conducted a national poll of 1,265 adults in late February. They reported that the middle class was feeling "a lack of control" they had associated once with being poor.[12]

A Harris Poll for Business Week also conducted in late February of 1,004 adults offered similar results: "77% of respondents rated large corporations only fair or poor at providing job security for workers." Public response to insecurity blames corporations for the economy and expects government to protect workers from '"foreign" elements by creating import taxes to "protect U.S. jobs."[13]

Within weeks, the Clinton Administration responded with policy initiatives directed to the "anxiety" reported in these media polls. Introduced by two Cabinet members, Labor Secretary Robert Reich and Treasury Secretary Robert Rubin, the Labor Department urged business to "recognize civic as well as fiduciary responsibilities," and establish "a floor of decency" for workers through government laws and regulations guaranteeing wages, job security, health care, pensions and education.

Also within weeks the U.S. Senate democratic leadership responded to the same public opinion currents in these media polls. They proposed a new category of corporation, the "A Corp" (A = Ally of American working families) to reward corporations that invest in employees and communities. An "A Corp" would pay lower taxes (11% versus 18%) and be subject to fewer regulatory constraints. The plan would replace the corporate income tax with a "business activity tax," a fixed rate less the amount donated to the common good, including worker education, research and development. To qualify, the corporation would have to meet tests including capping the ratio of highest to lowest pay at no more than 50-to-1, donating 3% of its payroll to pensions, 2% to employee education, in addition to paying half the employee health plan, and having a profit sharing or employee stock ownership plan.[14]

What this scan of client-initiated polls records is a changing opinion climate that perceives business both as a force for political change and as a citizen with civic responsibilities in any country where it operates. There is a slow acceptance of this idea among businesses, of course. The efficiency of commercial enterprise in a democracy is highly dependent on perceptions by the public, which determine its value not only by the quality of goods sold, but on how it behaves as an employer, manufacturer and global as well as local citizen.

Much will depend on the level of public confidence in a political culture that interprets social behavior by business as being for the common good, and on the growing gap between experts and the public that results in mistrust about which social institutions are responsible for public policy, and on the telecommunications innovations developed by global communications firms that allow direct, interactive access to the lawmakers by voters. Altogether, these elements will have an impact on the future of polling in research for public policy.

* This article is taken from the author's speech to the European Society for Opinion and Marketing Research Seminar on Public Policy, in Budapest, Hungary July 4, 1996, a conference of Eastern and Western Europeans in the opinion management industry comparing the role of public opinion in the formation of public policy in emerging and established democracies.

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2 "What Shapes Lawmakers' Views: A Survey of Members of Congress and Key Staff on Health Care Reform," published by the Columbia Institute, Washington DC, 1995. Among interest groups, those identified with business were identified as most influential, and the Health Insurance Association of America as most important. Closely following in perceived influence was the National Federation of Independent Business representing the interests of small business, as well as the National Association of Manufacturers and the Chamber of Commerce.

3 Council on Foundations, fact sheet January 18, 1996.

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5 "Public Interest In a Private Economy," Conference Board Report No. 11082-94-RR, p 9; "Corporations as Partners in Strengthening Urban Communities: A Research Report" (1994). The Conference Board, No. 1079-94-RR; Economist, May 25, 1996, vol. no. p. 74.

6 Louis Uchietelle and N.R. Kleinfield, "On the Battlefields of Business, Millions of Casualties," New York Times, March 3, 1996. Based on layoff announcements reported in major newspapers. Sources: PeopleTrends, Challenger, Gray & Christmas, published in the New York Times, "Battlefields" March 3, 1996. The public anger over the health of corporations, the income disparity between executives and workers, and the vast unmet social needs will determine the outcome of the upcoming elections. Exit polls from the 1994 election showed a 10% decrease in support for Democrats from the group that came to be dubbed "angry white males." Currently, that group seems to be equally disgruntled with the Republican candidates. To win back that 10%, Democrats must be able to shift the blame away from government and on to other targets.

7 Interview with Daniel Yankelovich, Challenge, May-June 1992 vol 35 no 3 pp 20-27; Time, May 20, 1996, pp 40-43; The Washington Monthly, April 1996, pp 16-23.

8 Council on Foundations, fact sheet January 18, 1996.

9 Capital Research Center (1995) Patterns of Corporate Philanthropy, pp7-9. The Center concludes that in the past decade, the proportion of corporate contributions going to support organizations working to support policy and regulations that support free enterprise has gone from a ratio of one dollar to $1.87 to the current ratio of one dollar to $4.07. The Center's most recent survey lists 309 advocacy groups receiving contributions totaling $36 million in 1995 from the largest 250 corporations in the U.S. Roughly two-thirds of that total, or $24.3 million went to a narrow cluster of 35 groups out of the 309. Most corporate contributions are less than $250,000. Those receiving above $250,000 are listed in Appendix One. The survey published the previous year listed 300 advocacy groups receiving $36 million from 129 of the nation's largest companies.

10 Interview with Daniel Yankelovich, Challenge, May-June 1992 vol 35 no 3 pp 20-27; The Economist, June 3, 1995, pp 53-57.

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