



An Essay by
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The CEO of the Past & Present has already entered into the political arena, it is their role that must change

This essay attempts to show that politics & business must (re)discover old and new ways of defining their relationship. By showing the inefficiency of direct individual CEO approaches to politics, it hopes to encourage more ambitious society-wide approaches which would focus on sensitising and organising not only CEOs but all members of society. As such considerable parts of the essay is dedicated to show the power and role of CEOs in our contemporary societies. Finally, this essay recommends using existing models of social dialogue, corporatism and EU lobbying mechanisms as inspirations for founding a new relationship between politics & business.

Politics and business have been interlinked since the dawn of man. In fact, already in our early history, power was held in the hands of communities, which had enough sustenance, therefore capital, to pursue other activities. Throughout human existence, capital has always been an important factor in our social hierarchies. In the long road to democracy, pursuit for a free economic system has played a crucial role in the creation of contemporary liberal democracies. Nevertheless, in the conception of democracy there is a paradox related to capital. Indeed, democracy is founded on the basis of individual equality, no matter their ethnicity, gender, class or wealth status, therefore how can a system of unequal wealth where individuals can be as poor as a worker or as powerful as a CEO be compatible with democracy? At first glance, it can seem impossible, but throughout the Western world, democracies have developed specific and different principles on which the balance between business and politics is held. Still, in our contemporary political era there have been increasing calls for the direct involvement of CEOs into politics. Therefore, we must ask ourselves should the CEO of the future enter the political arena.

In order to answer this question, we must first take account of current factors. Firstly, the CEO of yesterday and today has already entered into the political arena. Most famously, the ex-president of the United States Ronald Reagan has without a doubt created a prototype for populist businessmen to enter politics and assault 'the political establishment'. In his footsteps a few decades later Donald Trump followed and left an almost equally bad mark on the US economy. Secondly, it is important to understand that CEOs as individuals have not brought good changes to both politics and business when they have directly entered our systems of governance. Although the Reagan's administration neoliberal reforms were popular, we today understand that their extremity has in many ways crippled American society and economy. Similarly, Donald Trump has been the second only US president whose governance left Americans with less jobs than they had before his election.

These lessons should not let us entertain the idea that anti-business politics and total public governance over society are ideal either. In fact, the precise importance is to understand that public and private sectors must be always clearly and efficiently demarcated from one another. If the previous paragraph left the impression that capital and right-wing politicians are synonymous for social disaster, then let us now look at Central-Eastern Europe.



In the economic transition after the fall of communism, two theories dictated the process: shock therapy and gradualism. In the case of the latter, the old political elite slowed down the process of economic liberalisation in order to control the privatisation of previously publicly owned capital in the form of land and companies. Out of this process were born new social-economic elites that hold power through hybrid methods in both the public and private sector.

Furthermore, these 'businessmen' and CEOs have in many cases entered the political arena either through direct or indirect means. Perhaps most famously was the entry of Andrej Babiš with his political party ANO into Czech politics. Although originally a party with left-wing and centrist values, it has since its founding transformed into a populist machine that sways in any way that serves Babiš. During the period Babiš governed over the Czech Republic, ANO was accused of corruption, conflict of interest, attacks on the rule of law and liberty of expression. Only in the last parliamentary elections did a pluralist alliance of several right-wing, liberal and centrist parties remove him from power. Czechia like many of its peers in Central-Eastern Europe are facing issues in the post-socialist capitalism which reflect on the rigidity of what should be free market economies. In this aspect earnest will to change the situation must be both political and economic, therefore an approach of individual CEOs entering politics is not a viable solution.

In fact, from these global examples, it is clear that in countries where CEOs have entered the political arena, from both the left and right side of the political spectrum, they have in every case been a negative impact on their respective societies and economies. Does this mean the world of business must be completely isolated from politics? Of course not, however it is clear that the perspective must be shifted away from the individual approach of a lone CEO changing politics and instead there should be consideration for broader approaches that ethically delimit the worlds of business and politics from one another.

Before we look into how our contemporary societies can change their relationships with the corporate world, we have to first finish the thought process on individual responsibility. In the previous section we established that direct involvement of individual CEOs into politics is not a good idea, however this does not fully answer the question of this essay. Should the CEO of the future enter the political arena? If by that we mean political consciousness and activism, then the answer is different. Power and wealth have always been interconnected and we should not dismiss this power as useless in the struggle to improve our society. Indeed, CEOs have a specific skillset in terms of management, leadership and teamwork, along with understanding of the financial and economic fields. Through these characteristics, CEOs and entrepreneurs have without a doubt a role to play in our societies.

Moreover, the presented skills can be used to engage with politics and policy at large. Although, direct involvement in electoral politics seems not to work, what could be more important is the awareness of CEOs vis-à-vis their role in society. In many ways, entrepreneurs or simply capitalists should be aware of their circumstances, particularly in the fight against Climate change. While individuals can have an impact on business practices and policies that contribute to the unsustainable climate conditions, the wide-scale coordination of average citizens is practically impossible without serious political leadership.



Nevertheless, CEOs are not average citizens, they understand the economy better than anyone else, however they are in many cases unaware of their ecological impact. It is here perhaps that CEOs could have the biggest impact through political consciousness, which could lead to direct changes through decisions and political activism.

Nonetheless, when discussing the necessity of political consciousness and activism, we should limit these goals as only suggestions for CEOs. Indeed, it is of outmost importance that our societies at large become politically active and conscious again. In this sense, CEOs should not be prioritised, however they can prove to be an avant-garde in certain aspects. Company leaders, entrepreneurs, and CEOs have clear advantages in changing the perception of issues by the wider population. They have access to media, decision making circles and economic policy, therefore yes in that view the CEOs of the future must enter the political arena in a more conscious manner. The question now is just how this entry should take place?

Certainly, there exists already plenty of principles or institutions through which the entry of CEOs in policy making is not only possible, but even specifically made for them. In continental market economies, that is social market economies, trialism and social dialogue are principles through which governments, trade unions and corporate should be coming together to come up with consensus decisions. This model has lived beyond its golden age, however it remains an example of possible coordination for social elements to work together. Furthermore, this model is also part of a wider political theory known as corporatism which argues that all social elements should be self-organised and hierarchised in a system to cooperate with one another. If this ideology was in the past taken and badly adapted by notorious regimes with radical ideologies, its core notion is present in several European states.

Another form of relatively successful inclusion of CEOs in the decision-making process is the method present on the European level in the decision-making process of the European Union. Indeed, policy-making within the European framework allows companies, NGOs and private citizens to transparently lobby their proposals on specific parts of the legislation. One could wrongly interpret this as clear corruption, however these lobbying measures are public and not limited to just companies. In short, these three cases should be the groundwork for the conceptualisation of the involvement of CEOs in politics. The key factor here is to create organs through which CEOs can work and be represented together instead of leaving them as individuals.

In conclusion, business has always been part of the political arena, including in the form of direct electoral involvement of CEOs. Nevertheless, these involvements were negative and inefficient, proving that clear demarcations between business and politics are the foundation for the successful involvement of corporate into politics. As shown, this should not mean the complete isolation of CEOs from society, instead it is crucial that CEOs, along with the wider population, become politically conscious of their role in our societies and consequently become active in changing them for the better. Finally, since the role of CEOs, therefore business, can only be organised on a larger scale, it is important to use the models of social market economies, corporatism and EU lobbying, as inspirations for the next step in corporate political responsibility.