A political opportunity has arrived. For the past 15 years, Americans have been angry at government. Now, a new survey shows, they are also angry at big corporations. Americans have not lost their anger at government, but now they have decided that large corporations are the major cause of their growing economic insecurity, and they are fuming about recent corporate behavior.

This new information will raise strategic questions during the next few years: Can popular anger at corporations be channeled for environmental protection? Can it be harnessed to give people greater control over their own lives (in other words, to make America more democratic)? Can it help Americans see that we could return to a time when the public took responsibility for DEFINING corporations, instead of allowing corporations to define us?

A telephone survey of 800 voters during June 1996, accompanied by six focus groups, has revealed that Americans of all ages, all incomes, all races, and both political parties are seething over the way large corporations have been treating their workers in recent years. Specifically, voters are angry about the following kinds of behavior:

- Massive layoffs at a time when profits and CEO salaries have been going through the roof;
- Firing full-time workers and filling their jobs with temps who get neither medical benefits nor pensions;
- Firing older workers and replacing them with younger workers who are satisfied with lower wages.

In sum, people are angry that corporations are showing disrespect for, and disloyalty to, the American workforce.

The survey and focus groups were conducted by EDK Associates and by Peter D. Hart Research, working under contract to the Preamble Center for Public Policy in Washington, D.C.[1] The sample size of 800 means that the surveyors can be 95% confident that their results are accurate plus or minus 3.5%.

Almost without exception, people who feel negative about corporations feel VERY negative. And huge numbers feel negative. Large majorities see corporate behavior as a "serious national problem." When asked if reduced benefits (health care and pensions) are a "serious problem" or not, 82% say yes. Large layoffs during times of profitability are regarded as a "serious problem" by 81%; huge CEO salaries (which are now 200 times as large as the average worker's pay) are a "serious problem" for 79%; and stagnant wages (wages that don't keep up with the rising cost of living) are a "serious problem" for 76%.

People do not buy the explanation that recent corporate behavior is required by a competitive global economy. Only 22% of those surveyed said they thought competitiveness motivated corporate behavior; 70% said they thought greed was the motivating factor (while 7% said they didn't know). This view --that greed is what motivates corporations, not competitiveness --crosses all age groups, all races, all educational backgrounds, and all incomes. It even crosses political parties: 79% of Democrats, and 63% of Republicans said they thought corporate greed explains downsizing, stagnant wages, and reduced job benefits.

Furthermore, most people now see corporate greed as a greater problem for the economy than government corruption, waste, and inefficiency. Asked to choose between wasteful government and corporate greed as the main obstacle preventing the middle class from getting ahead, people chose corporate greed (46%) over government waste (28%) with a substantial percentage (22%) volunteering the opinion that both were responsible. Thus, despite continued high levels of public dissatisfaction with government, 68% of Americans believe big corporations are as responsible as, or more responsible than, government for the economic problems of the middle class. Even among Republicans, 55% says corporations are at least as big a problem as government.

The telephone survey and focus groups showed that Americans are angry because of their personal experiences with large corporations. Some economists have characterized anti-corporate attitudes as "whining" by a "spoiled" workforce that has unreasonably high expectations. However the survey results suggest that this is not true. People are not angry simply because they have been denied a promotion or a pay raise. In fact, the survey shows that Americans' expectations for their living standards have shrunk. In focus groups, people stated that they no longer expect to do better and get ahead; they're just hoping --sometimes desperately--that they won't lose ground. What DOES make them angry is when they, or someone close to them, is hurt by a corporation --losing their job, being forced to double up their job to take on the responsibilities of someone else who has been fired, or facing outrageous health co-payments and deductibles. These first-hand experiences are what is fueling anger at corporations.

What is surprising --members of the survey team said they were "shocked" and "amazed" by these findings--is that the public is ready to support government action to control corporate behavior. Most people surveyed(69%) say they generally favor government intervention to ensure that corporations act more responsibly. Some 42% strongly favor this position. This is an important reversal of political ideas that have dominated America for 15 years.

As Garry Wills described recently in the NEW YORK TIMES, Ronald Reagan developed a winning political strategy, which still dominates the Republican Party agenda today (and in no small measure dominates the agenda of the me-too Democrats as well).[2] Mr. Reagan successfully blamed government corruption, waste and inefficiency for all of the nation's problems. After he won the Presidency by promoting these ideas, he then ran his own government in a fashion that was unusually corrupt, wasteful and inefficient, tripling the national debt while delivering fewer benefits, thus further eroding public support for government. In this fashion, Mr. Reagan laid the groundwork for further attacks on government as the enemy of the people, giving rise to Newt Gingrich, the Contract with America, and extremist anti-government attitudes that eventually expressed themselves in the bombing in Oklahoma City and the rise of the "Wise Use" and libertarian militia movements.[2]

Americans are still angry at their government, but now they are also angry at large corporations, so angry in fact that they are willing to take a chance on government action to control corporate abuses of working people. This is important. Relentless "positioning" by corporations has tried to convince Americans that corporate control of their lives is natural and inevitable, that alternative relationships are unthinkable, and that decisions affecting the lives of working people are made by "the market," which is beyond the control of mere humans. Now there is evidence that Americans aren't buying it; according to this new survey, people are beginning to see some hope of changing their lives through collective action.

Still it would be a mistake to overstate the findings of this survey. People don't begrudge corporations the right to make big profits. They are merely angry that big corporations aren't sharing those profits with their workers who, after all, make the profits possible.

People aren't angry because CEOs make huge salaries. They are angry because CEOs make huge salaries by laying off thousands of workers. This is "obscene," they say.

Americans admire large corporations who play by the old rules, which are perceived to be a kind of unspoken "social contract" between workers and management: "I'll work hard for you all my life, and you'll pay me a family-supporting wage. To keep ahead of inflation, you'll pay me a bit more each year, guarantee me a job so
long as I play by the rules, and provide me with health care and eventually a pension for my retirement.” When a corporation is profitable and yet breaks the unspoken social contract, this becomes a source of anger for Americans.

Where does this lead us? What sorts of campaign strategies does it suggest for politicians, for environmentalists, and for those seeking to give more Americans a voice in the decisions that affect their lives? Here are a few ideas:

** Importantly, anger at corporate behavior is an issue that does not divide along racial lines. Working to control corporate behavior could provide common ground among African Americans and caucasians.

** It helps to talk about all the bad things corporations used to do (child labor; 14 hour work days; using rivers as open sewers, for example) and how people got together and stopped those things. Probably the greatest barrier to progress in America today is peoples’ sense of hopelessness. Hopelessness leads to paralysis. Telling true stories about real victories can help people gain hope. Hope makes collective action thinkable and therefore possible.

** Environmentalists, and others seeking reform, can build on people's anger at government AND corporations by emphasizing how government caters to the interests of large corporations, wasting taxpayers' money in the bargain. The true relationship between corporations and government is a reciprocal one: corporations dump mountains of cash into elections, corrupting the basic institutions of our democracy while putting anti-government, pro-corporate extremists into office. In turn, government then subsidizes big corporations and relieves their tax burden. Greedy corporations then turn around and abuse their workers, who are already bearing the brunt of the nation's unfair tax system. This kind of subsidy abuse by corporations --and the corrupt election process which feeds it --could easily become a target of significant anger. With some work, the result might be a law to get corporate and other private money out of our elections. Democracy in this country would be advanced in a major way, as would environmental protection.

** Corporations are unlikely to change their behavior voluntarily. It seems safe to say that they can’t. Therefore, as time passes corporate abuse of workers seems likely to continue and to get worse. Some corporations may try to hide their behavior; for example, some will probably get smarter and stop ANNOUNCING their huge layoffs. But corporate behavior still will spark anger as real people are hurt. In sum, continuing abuse of workers' loyalty and trust will be hard to conceal. What is the full potential for reform that this situation offers? It seems very likely that, today, no one knows the answer to that question. To make the most of this political opportunity will require careful thought.

--Peter Montague (National Writers Union, UAW Local 1981/AFL-CIO)

[1] The results have been published as: EDK Associates, CORPORATE IRRESPONSIBILITY: THERE OUGHT TO BE SOME LAWS (New York: EDK Associates [235 West 48th St., NY, NY 10036; phone: (212) 582-4504; fax: (212) 265-9348], July 29, 1996). Copies are available from: The Preamble Center for Public Policy, 1737 21st Street, N.W., Washington, DC 20009; telephone (202) 265-3263; fax: (202) 265-3647. Free, but if possible a $5.00 donation to cover costs would be appreciated.

Three focus groups were conducted with caucasian, non-college-educated, working class men and women in Hartford, Conn., San Jose, Calif., and Oak Brook, Ill.; two with caucasian, middle class, college-educated men and women in Iselin, N.J. and in San Jose, Cal.; and one among African-American working class men and women of mixed education levels in Oak Brook, Ill. A "focus group" is a conversation between trained listeners and the members of the group, who respond to questions posed by the listener. The conversation is videotaped and then analyzed and evaluated.


Descriptor terms: corporations; economy; inequality; surveys;