



# What can Business do to protect Democracy?

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Whereas democracy is often described as key to the good functioning of business and markets, we increasingly ask of business to stand up for democracy, in the face of rising anti-democratic sentiments, far-right populism and increased polarization in Western democracies. On September 24th, 2024, the Rebalance team convened a roundtable in Berlin on “Business and the Future of Democracy” that brought together corporate leaders, entrepreneurs, policymakers, and academics for a lively debate. They discussed the need to restore the link between businesses and democracy, the importance of courage and taking a stand, and practices for strengthening democracy within and outside of businesses in Germany, Europe, and other parts of the world. Rebalance is a collaboration between seven European universities and an international NGO aiming to provide new evidence, resources, and insights to help rebalance democracy and capitalism. The research conducted, and the discussion in Berlin resulted in three main recommendations addressed at business leaders that aim to work for democracy:



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1. **Stand up for (your) values when democracy is under threat.** However, only engage in democracy work if you are committed and are in it for the long haul.
2. **Work for democracy internally:**
  - 2.1. **Listening to your employees** is essential for dealing with increasing levels of polarization.
  - 2.2. **Providing training for employees** on misinformation, hate speech, and civic engagement is critical to nurturing democracy competencies.
  - 2.3. **Creating spaces for exchange** for employees with divergent views and between management and employees helps to regain trust.
  - 2.4. **Scouting and supporting champions** doing democracy work nurtures a caring spirit.
3. **Work for democracy externally:**
  - 3.1. **Explaining your company's stance internally before speaking up externally** is necessary for your employees to understand your company's point of view and suppress further polarization.
  - 3.2. **Advocating on specific sociopolitical issues only, complemented with broad support for civic engagement** by your employees, signals your commitment to democracy while aligning with your values.
  - 3.3. **Partnering with others**-companies, civil society, and academia-allows you to learn from them and share your own lessons from democracy work.

## Overview of the Research and Roundtable

Rebalance is a collaboration between seven European universities and an international NGO aiming to provide new evidence, resources, and insights to help rebalance democracy and capitalism.

In September 2024, the Rebalance team organized a roundtable in Berlin to discuss "Business and the Future of Democracy." The participants included individuals with diverse backgrounds and experiences in multinational and family businesses, entrepreneurship, civil society organizations, public administration, government, policy-making foundations and funders, as well as academics – and the discussion focused on the relationship between business and democracy. The roundtable featured a series of lightning talks, sparking lively debates and generating valuable insights into best practices for businesses seeking to engage in democracy work. This business brief summarizes the key findings and recommendations from the Rebalance research team and the roundtable discussions, providing guidance for business leaders seeking to support and strengthen democracy.

## Business for democracy: Why now?

Considering the alarming increase in anti-democratic sentiments worldwide, including in 'liberal' democracies, the need for immediate action is more pressing than ever. This year, as nearly half of the world's population votes for new leaders, including in Europe and Germany, it is crucial for EU

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businesses to take the lead and set a positive example. Research indicates businesses flourish in democratic environments, yet according to the [Democracy Perception Index 2024](#), global corporations and big tech are increasingly seen as threats to democracy. Equally, the ITUC International Trade Union Confederation recently launched a [#ForDemocracy](#) campaign calling out undemocratic corporate behavior such as union busting, human rights violations in supply chains, and permitting and enabling far-right propaganda. And the [2024 Edelman Trust Barometer](#) revealed a new polarization within companies. Trust at work is marked by a widening gap between executives and non-managers and employees in terms of optimism about their futures.

Businesses can play a vital role in strengthening democracy and countering political extremism, both individually and collectively. For instance, GSK, a multinational pharmaceutical and biotechnology company, has joined the [#BC4D Business Council for Democracy](#) to unite efforts against the spread of hate speech, disinformation, and conspiracy theories. Similarly, Hellmann Worldwide Logistics has become part of [VereintFürDemokratie](#), an initiative that provides pooled funding to civil society organizations aimed at fostering civic engagement and protecting democracy in areas experiencing democratic decline.

As a result, participants suggested that businesses that care about the preservation of democratic values should no longer debate *whether* to engage in democracy work, but rather how to do so. Our discussions revealed that businesses can and should contribute to democracy but that they need to be consistent, and they need to work both internally and externally. This requires courage, the establishment of trust between management, employees, and external stakeholders, and a willingness to reconsider the structures and roles within businesses in relation to democracy.

**Recommendation 1: Stand up for (your) values when democracy is under threat.** However, only engage in democracy work if you are committed and are in it for the long haul.

Businesses must take a clear stance when democratic values are at risk, as silence or neutrality can be seen as complacency. While some companies may hesitate, fearing potential backlash or polarization, taking a stand is essential for long-term stability, trust, and reputation. Democratic principles such as fairness, equality, and the rule of law often underpin the very values businesses claim to uphold—like respect, integrity, and diversity. By standing up for democracy, businesses not only protect these values but also help create an environment where they can thrive. However, engagement should not be superficial or reactive; it requires a genuine, sustained commitment. This means investing time, resources, and efforts over the long term, ensuring that democracy work becomes an integral part of the business's identity and operations. When democracy is threatened, inaction is not an option—businesses must demonstrate that they are willing to stand up for what they believe in.

**Recommendation 2: Work for democracy internally.**

Businesses that recognize a responsibility for a healthy democracy can serve as nurturing grounds for democratic principles and values if that aligns with their own values. Taking up the courage to work for democracy, businesses remind their employees, who are also citizens, of their democratic duties. This responsibility can be both reactive and proactive.

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### **Recommendation 2.1. Listen to your employees.**

Before taking a specific stance, businesses should listen to their employees. This helps gauge the level of polarization in the workplace, which often reflects the level of polarization in society to some extent. This can be done informally or more formally, such as during training sessions or dedicated work meetings focused on related topics.

### **Recommendation 2.2. Provide training for employees.**

Training and voluntary workshops are essential for promoting democracy in the workplace. Training can be reactive, focusing on recent issues such as hate speech, or proactive, addressing general topics like civic engagement and democratic competencies. For example, the program [The Civics, Civic Scouts at Work](#) provides training for employees in Bulgaria, Croatia, Germany, and Hungary, covering democratic competencies such as critical thinking, tolerance, and transformation skills. The [Business Council for Democracy](#), established by the Hertie Foundation in Germany, offers training on various democratic topics, including disinformation, hate speech, and conspiracy narratives, for employees in participating businesses. Additionally, over the last year, companies and civil society organizations run campaigns such as [We Stand for Values](#) or [Vote Anyway](#), which encourage employees to participate in democratic processes by voting and using their voices.

### **Recommendation 2.3. Create spaces for exchange between your employees and between management and employees.**

While formal training is important, businesses should also create informal spaces where employees can discuss topics related to democracy. These spaces are especially beneficial when employees can engage with colleagues they don't typically interact with directly. One effective approach is to establish employee resource groups, such as those for minorities or marginalized groups. Another informal space for exchange is needed between management and employees, such as fireside chats. These spaces also provide businesses with the opportunity to listen to their employees (Recommendation 2.1).

### **Recommendation 2.4. Scout and support champions.**

Some employees may have already been involved formally or informally in democratic activities that align with the business's values, but their contributions may have gone unnoticed or not been recognized as democracy work. Businesses can provide a supportive environment for employees who want to voice their opinions and participate. Actively identifying and empowering these advocates as internal change agents is crucial for effective democracy work and nurtures a caring spirit.

### **Recommendation 3: Work for democracy externally.**

While democracy work is partly internally focused, effective democracy work also requires external action and communication. This means taking leadership for democracy and standing up courageously for values, not only in front of your employees but also to generate support within your industry and society as a whole.

### **Recommendation 3.1. Explain your company's stance internally before speaking up externally.**

In times of democratic backsliding, it becomes necessary to take a public stand. However, it is important to clearly explain the company's position internally. Polarization among your workforce is inevitable, so it's crucial for your employees to understand the company's point of view and the reasons behind it. This will help avoid backlash when communicating publicly on a democracy issue.

### **Recommendation 3.2. Advocate on specific sociopolitical issues only, complemented with broad support for civic engagement.**

When engaging in external democracy work, the focus should be on carefully selecting specific issues that align with your business values and those of your employees. This approach reinforces the nonpartisan nature of your democracy work while still allowing you to take a stand. It's important to note that this doesn't preclude supporting broader civic engagement by your employees, as this falls under internal democracy work. However, when addressing external issues, the focus should be on specific problems.

### **Recommendation 3.3. Engage in partnerships.**

Effective democracy work relies on partnerships to learn from peers and organizations specialized in democracy work. Several initiatives and organizations are emerging to support your democracy work. While it can help internally (e.g. with training), it also helps in external communication and showcases which other industry players are taking the same stand. In [We Stand for Values](#) more than 30 leading and publicly-listed German companies joined forces to form an alliance for diversity, openness, and tolerance in response to far-right extremism, racism, and anti-immigration stances. In [Vereint Für Demokratie](#), another example from Germany, family-owned companies and a range of stakeholders from business and civil society created a fund to financially support pro-democratic grassroots organizations.

## Conclusion

Democracy, both as a political system and a set of rules and processes that ensure stability in conducting business, should not be taken for granted. The Roundtable on Business and the Future of Democracy emphasized the need to reconsider the relationship between business and democracy. This involves shifting from thinking about what democracy can do for businesses to considering what businesses can do for democracy. Businesses will have a crucial role in rejuvenating a pro-democratic movement in the economy and society. However, it's important to note that businesses cannot and should not bear this responsibility alone. Business associations, trade unions, universities, and especially business schools will also need to get involved, ideally working together with civil society and reminding political parties of their democratic mandate.



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