

# Why Roe v. Wade's Demise – Unlike Gay Rights Or Ukraine – Isn't Getting Corporate America To Speak Up

by Alessandro Piazza June 29 2022 9:36 AM



(THE CONVERSATION) - Corporate America — once known for carefully <u>avoiding</u> <u>public stances</u> on hot button issues — has, in recent years, become increasingly outspoken on a host of thorny topics, from <u>gay rights</u> to the <u>war in Ukraine</u>. That makes <u>its relative silence</u> in the face of the end of federal abortion rights all the more deafening.

Over two-thirds of companies in the Fortune 500 <u>are publicly committed</u> to supporting LGBTQ rights, and many were early <u>backers of marriage equality</u> before the public embraced it. In the weeks after Vladimir Putin sent his armies into Ukraine, <u>hundreds of companies suspended or ceased</u> operations in Russia in an unprecedented reaction to geopolitical aggression. And in the aftermath of the passage of a 2021 Georgia law seen as curtailing voting rights, <u>dozens of companies spoke forcefully</u> against the legislation.

But so far, <u>only three dozen or so companies</u> have taken a public stance on the Supreme Court's decision to overturn Roe v. Wade, mostly to declare their support for workers seeking an abortion. While a few openly criticized the Supreme Court's June 24, 2022, decision, the vast majority did not.

In my own research, I have examined both the emergence of corporate activism on sociopolitical issues and the fraught history of abortion provision in the United States, which has been contested ever since elective abortion became legal nationwide in 1973.

The big question is: Why is corporate America being so timid this time around?

## Growing activism from corporate America

Across America, corporate activism has been on the rise.

Whereas most companies once subscribed to conservative economist <u>Milton Friedman's</u> <u>famous quip</u> that the "only social responsibility of business is to increase its profits," corporations are increasingly expected to take public stances on a host of thorny issues.

And so it was strange to see so little reaction after a Supreme Court decision that amounted to a sea change in reproductive health for the entire country. Within the next month, it is estimated that over 30 million women will lose access to the procedure. Companies that did speak out mostly sought to reassure their employees that they would cover necessary travel and in some cases abortion procedures but did not explicitly criticize the decision.

#### Knowing when to stay mum

The most basic explanation for the relative silence is that not all social issues are alike. Some enjoy such overwhelming levels of public support that speaking out is obviously the "right thing to do."

Within days of Russia's invasion of Ukraine, for example, <u>most U.S. companies were already pulling out of Russia in droves</u>. In total, <u>over 300 American companies</u> have withdrawn from Russia entirely, and over 600 more either suspended operations or scaled them back.

Although the speed with which they fled was unprecedented, it maybe shouldn't be all that surprising given U.S. public opinion. Shortly after the invasion, 7 in 10 Americans said <u>they saw Russia as an "enemy"</u> – with no partisan split – compared with 4 in 10 just a couple months earlier.

But on other issues – such as abortion – public opinion is divided across well-defined fault lines. While 61% of Americans recently polled said abortion should be legal in all or most cases, the partisan divide is significant, with just 38% of Republicans saying that.

And in some cases, speaking out about a given issue might not be perceived as appropriate at all. A <u>2018 survey</u> found that while most Americans appreciate it when CEOs – and corporations more generally – speak out on workplace-relevant issues like sexual harassment and equal pay, they take a dim view of their doing so on topics like gun control or abortion. Notably, in the same survey only 14% of respondents thought that corporate leaders should weigh in on abortion.



### Learning to be activists

Just as important, though, is the fact that in choosing to wade into contentious societal debates, companies are exposing themselves to risk. As a result, companies have often approached social issues by initially taking only tentative steps aimed at internal constituents like employees.

Here, the case of LGBTQ rights advocacy by corporations is especially instructive.

In the early 1990s, companies such as Disney and Apple were among the first to <u>offer benefits to employees' same-sex partners</u>. By 2005, about 20% of Fortune 500 companies did. At the time, <u>most Americans opposed marriage equality</u>, so companies pursued a limited approach and refrained from pushing for legalization.

This is consistent with some of my ongoing research with Rice University colleagues in which I'm finding that companies tend to frame their stances on social issues narrowly when they are not settled matters. Once they are settled, however, and controversy abates, companies often shift to full-fledged advocacy.

So in 2012, when same-sex marriage was already legal in a handful of U.S. states, Goldman Sachs CEO Lloyd Blankfein was the first Fortune 500 company leader to come out in support of marriage equality. As marriage equality was realized in more and more states and public support increased, more companies jumped on the bandwagon. By early 2013, over 100 corporations had pledged their support for same-sex marriage. And today, most corporations do.

#### Facing a backlash

As one of the first examples of widespread corporate activism, the fight over LGBTQ rights likely led corporations to believe that customers and the general public would reward bold action and principled stances.

Hence, in the years since, we've seen <u>increasingly activist positions</u> from companies – and <u>many stories</u> trumpeting them.

This can be seen in the strong reaction to the 2016 North Carolina "bathroom bill" – including <u>lawsuits</u> and a <u>boycott of the state by companies</u>, which eventually led to the <u>law's being repealed</u> – and in the <u>forceful response to a recent Florida law</u>that prevents instruction of sexual orientation or gender identity from kindergarten through third grade.

One of Florida's largest employers, Disney, after initially equivocating, <u>came out</u> <u>forcefully against the law</u> after it was passed and said it <u>would seek its repeal</u>. But this

time, Disney's full-throated activism <u>faced substantial backlash</u> – from both sides. Employees and activists <u>accused the company of not doing enough</u>, while the company's stance was met with <u>fierce resistance from the government of Florida</u>, which moved aggressively against the company and voted to strip Disney of the special tax and self-governing privileges it has held for 55 years.

### **Getting it wrong**

For a possibly chastened corporate America, I believe the Disney incident was a reminder of the perils of wading too deeply into polarizing societal debates.

This appears evident from the corporate stances toward abortion rights that have played out since Roe v. Wade fell. Companies once again focused their responses on protecting their employees first and foremost, without offering criticism of the ruling or supporting a push for new legislation.

That said, I'm convinced there is probably no going back to the days when companies stood on the sidelines, eyeing their profit margins and little else.

It is a brave new world out there for corporate activism, and I predict that striking the right balance will become increasingly tough. Getting it wrong might mean not just angry employees or customers but also <u>legal challenges</u>, for example for companies that have pledged to help workers seeking an abortion.