

People's trust in our free-market system and our American institutions is at perilously low levels. Most Americans have come to see the system as "rigged" against them in favor of politically connected industries.

American politics, like American business, is highly competitive. With the very future of our country at stake, competitors in politics fight fiercely to win elections and policy battles. This constant competition has come to consume enormous resources, with national electoral campaigns collectively costing billions of dollars. Those resources are increasingly supplied by individuals through direct contributions to candidates and by corporate donors through outside groups that seek to influence electoral and regulatory outcomes.

A system in which outsized sums of money given through the right channels can have powerful influence upon political — and thus economic — outcomes is one that should deeply worry business leaders. First and foremost, the influence of concentrated business money in politics changes the nature of competition between businesses. It diverts investments from their core business to peripheral political activity and can quickly become traditional "rent-seeking" — the practice of manipulating public policy as a strategy for increasing profits.

Historically, the United States has been an ideal field on which to compete, with an orderly and transparent political process and a strong rule of law. But when money given to politicians reshapes the playing field, bringing an advantage which could not be attained through ordinary business competition, then the political sphere works to the detriment of American investments and the nation's economic health.

This cycle is worsening. Our political system increasingly relies upon money from a small core of American businesses and an even smaller elite of politically-active, affluent individuals. The more time politicians spend seeking money from these groups, the less time they focus on important policy issues including economic growth.

Additionally, small businesses and innovation suffer under this system. Large corporations can gain great sway over legislators and tilt the playing field to the disadvantage of smaller competitors, suppliers and customers. They can codify the advantages of their scale and preserve a market position against a new innovation.

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Political contributions are also used for defensive purposes as a form of “protection” to avoid legislative action or to erect regulatory barriers that purposefully reduce competition. Such donations not only misdirect scarce corporate funds; they also empower legislators to believe they can coerce company behavior.

Moreover, investments in politics that forestall competition or reinforce barriers to entry (such as through the manipulation of intellectual property protections) can slow or stop the development of new products and services, throwing sand in the gears of innovation that have driven our economy forward.

There are solutions. Implementing these solutions, however, will take courageous leadership and a determined effort that reaches across party lines.

Now is the time for business leaders across all industries — from small to large businesses — to step forward to help restore the public's faith. Together, we can advance truly free, fair and open business competition by supporting achievable political reforms that begin to address our broken political system and fix our democracy.

## Issue One's five principles for returning government to the American people

- 1. Promote transparency and disclosure.**
- 2. Increase participation in elections.**
- 3. Reduce pay-to-play.**
- 4. Strengthen enforcement of existing laws.**
- 5. Improve government integrity and accountability.**