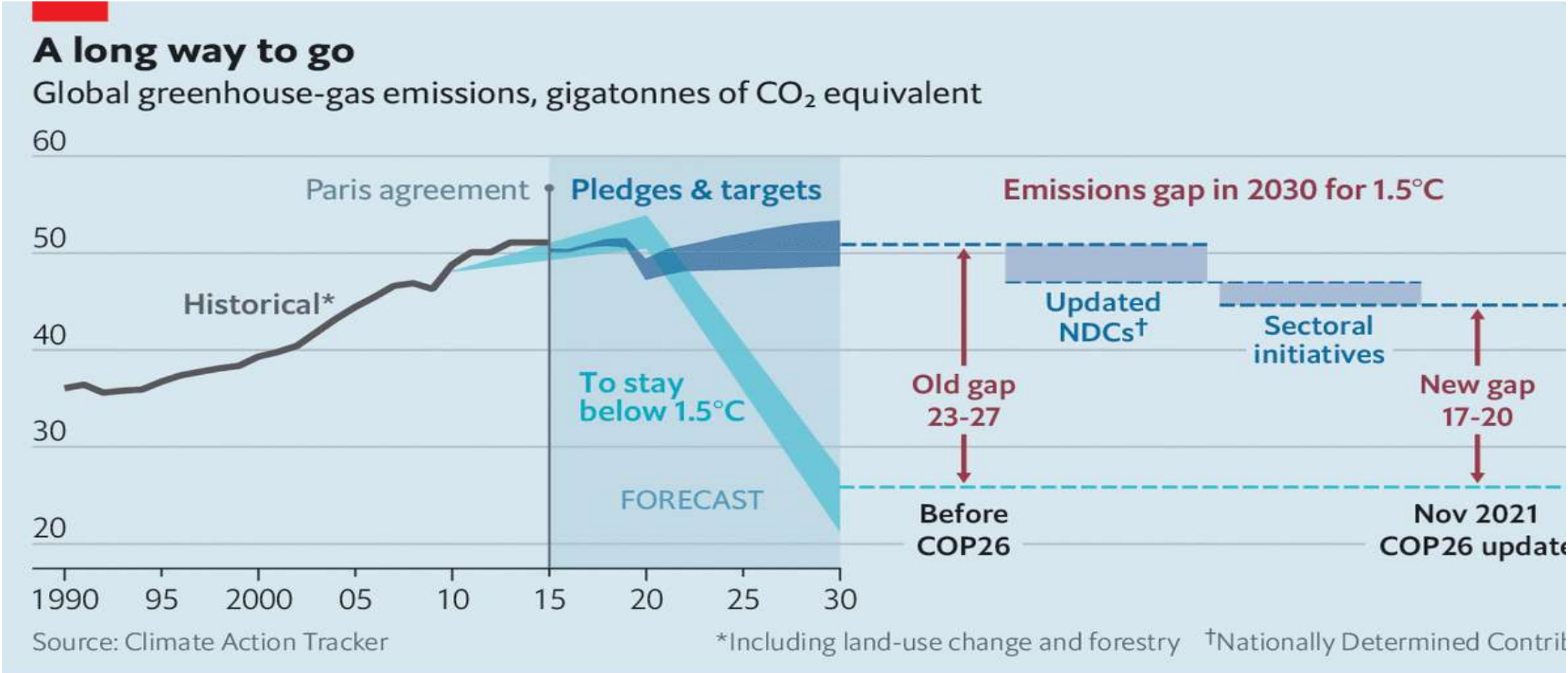


ESG: a magic formula?

Concetta Brescia Morra
Università Roma Tre



The quantitative goal



Corporate social responsibility: is it the right strategy?

What if some shareholders are right-wing and then are strongly contrary to sustainable policies or in favor of racist policies?

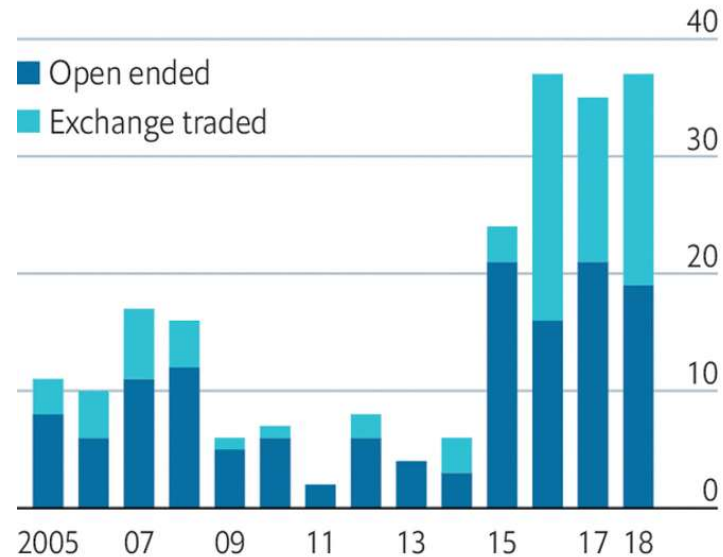


Strategia
vincente sul
piano del
profitto?

A good return

United States, sustainable funds

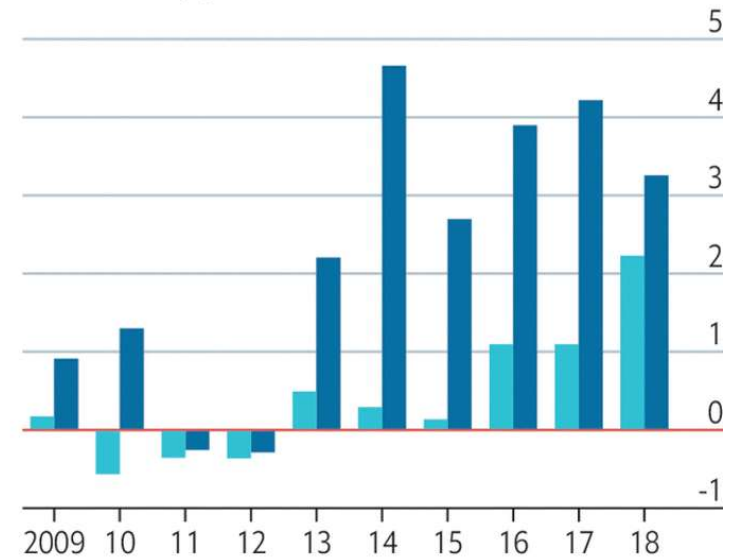
Number of funds launched



Source: Morningstar

The Economist

Net inflows, \$bn





Larry Fink, ceo BlackRock, seems very active

BlackRock is starting to make it easier for clients to vote however they want, too. Since 2022, the company will allow a segment of institutional clients to have more choice in voting. This includes the choice to vote yourself or choose from a menu of proxy policies

It is very difficult for a large asset manager to meet the conflicting expectations of its upstream investors, some of whom want to move very quickly on ESG and others not



Larry Fink: «Sincere green investors, and there are many, should hold onto dirty stocks and work with managers to reduce emissions»

He's right? To be truly green, investment strategies need to be less black and white.



Satoshi Kambayashi

Environmental sustainability and social sustainability do not always go together, in fact, they often diverge...



Despite all its (not small) defects, globalization is based on efficiency

- «kept prices low for consumers and helped lift a billion people out of extreme poverty, as the emerging world, including China, industrialized» (The Economist)
- «the number of people in extreme poverty has decreased sharply, with the exception of sub-Saharan Africa, from almost 2 billion to less than 700 million» (Visco, 31 May 2022)

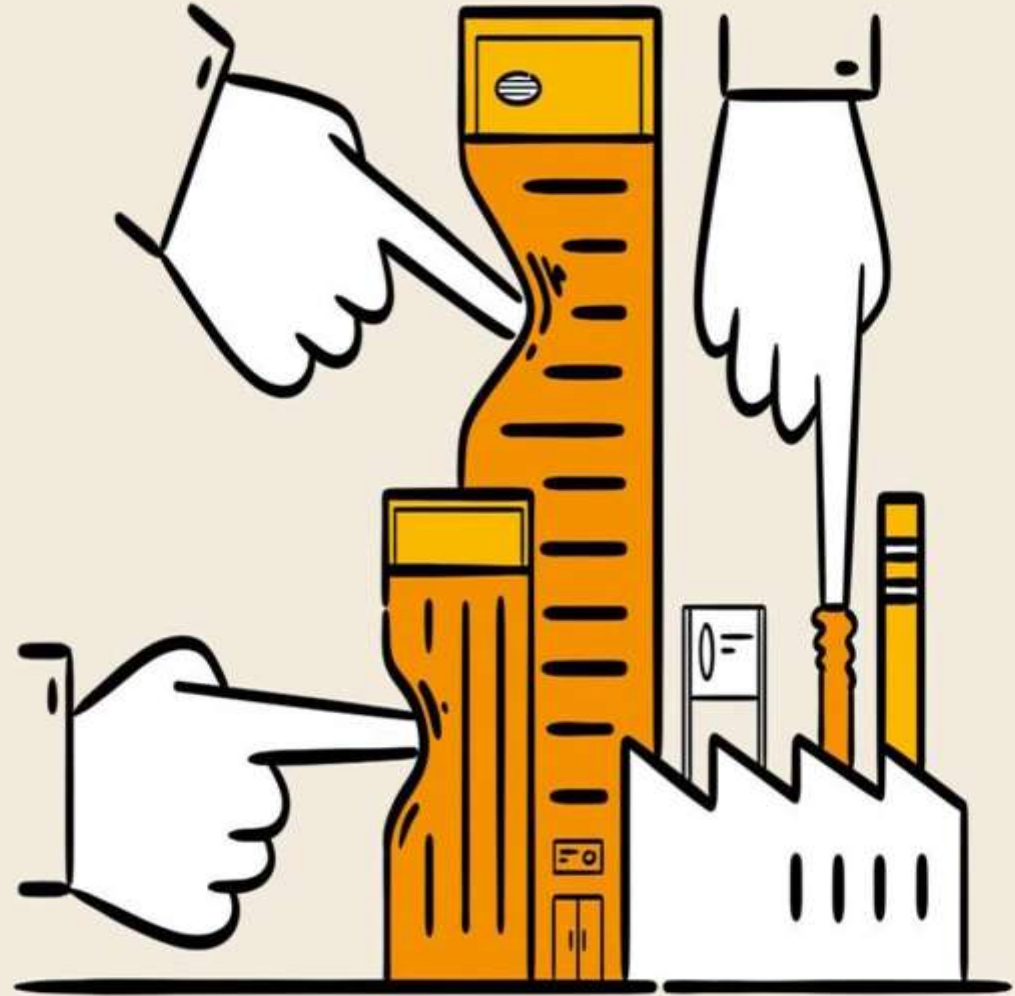


The ethical considerations of rich countries do not always coincide with the needs of poor countries

Claiming that there is no trade-off between profit maximization and green investment seems unlikely as long as the externalities created by polluting companies are legal and untaxed.

Tools adopted so far make it "cheaper to pollute than to change".

more State: for example taxation of polluting companies...



And the State must think about energy poverty with welfare policies



To catch the balloon we
need: more state and
strengthen multilateralism

Although:

- weak parties in many European democracies and
- “winds of war” they don't blow in your favor

