



# Climate | Finance | Behavior

January 15, 2023 - January 20, 2023

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367 posts | 64 participants

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# Background

*Preventable Surprises'* 10th online dialogue, hosted in partnership with Ethical Systems and with the support of the CO2 Foundation, explored how social sciences can help accelerate climate finance. A trusted group of 65 investors, climate activists, scientists and experts convened in January 2023 to discuss what we could learn if we considered using humans as the metric of change of climate finance, as opposed to greenhouse gas emissions or assets under management.

The text-based format allowed for asynchronous participation across time zones. This summary deck includes daily “provocations”, key reflections from participants, and a synthesis of each day’s discussion. We recommend readers take a look at the provocations to guide their own thinking on these themes and understand the human dynamics at play in accelerating climate finance, and their own agency in this regard.

## Agenda



### **DAY 1:**

*Why are we here?*  
(Jerome Tagger)



### **DAY 2:**

*Does the truth matter,  
and does agreeing  
matter?*  
(Emilie Prattico)



### **DAY 3:**

*What incentives are  
relevant for action?*  
(Michele Wucker)



### **DAY 4:**

*Driving change: agency and  
collective action, and  
stories and communication*  
(Brian Harward and  
Rosalind Donald)



### **DAY 5:**

*Synthesis* (Alison Taylor)

# Facilitator



**Bill Baue**

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# Participants



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*The dialogue was held under the Chatham House rule. Participation does not equate to endorsement of any statements or conclusions.*

# DAY 01

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**Why are we here?**

# Day 01 - Why are we here?

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Let me start this way: why am I here? Because I am deeply concerned about the climate crisis; because I'm looking for responses to this crisis in the world of business and primarily finance; and because finding those responses requires a lot of people - myself included - to change behavior. I got here meanderingly, my awareness of the climate crisis rising progressively. My business school education in the early '90s coincided with the Rio Earth Summit, although it barely registered (the concurrent collapse of the Soviet Bloc, however, did, which is interesting given how hard both are biting now). Years later, I made my way into the emerging field of responsible investment. I found out I liked to think about complex problems like climate change or inequalities or the state and power of the financial system, and the field gave me opportunity, a sense of agency and I got to meet cool people. In the responsible investment universe, climate change always loomed large because (1) it was getting much harder to ignore; (2) it seemed to be a manageable problem, one of R&D and technology substitution with clear metrics of change (PPM, GHG); and (3) there was an economic case, a scientific case, a moral case, and sometimes a business case.

Over twenty years in this field, I spent a lot of time trying to convince institutional investors\* that they should be more responsible as investors - and that we would all be better for it. Somewhere in there, I took part in shaping a language that mixed all of these cases, trying to articulate a connection between different realities: social, environmental, economical, financial. At the heart of it all, there were always people. People whose attention I demanded; who sometimes lent me their time; with whom I would look for (and sometimes find) common ground or common purpose; who would teach me things or whom I'd ask to change their bloody minds. These were evolving conversations, sometimes with contradictions. I might have said things like: Climate risk affects stock prices in many economic sectors! Climate is a systemic risk, there are significant unknowns associated with climate tipping points, and you can't stock pick your way out of the climate crisis! You can do well by doing good! There are complex trade offs. Responding to the crisis requires radical change in the economy and financial markets! Climate change is a business problem! Contributing to solving climate change is a moral problem!



# Day 01 - Why are we here?

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*I know what you need to do! What should you do? You are the expert and you have to find the solutions! Think about your risk! Think about your impact! We need better data! We have all the data we need! I am optimistic! I am feeling gloomy! I have a vision! I am confusion! (Well the last one I probably don't say as often as I should, given it's a frequent state.)*

*In those interactions with the finance sector, its leaders and professionals, I noticed a few challenges. Often I had to ask myself whether I should prioritize the relationship or the truth. If I had the ear of a pension fund CIO, should I tell them that they need to envision radical change, at the risk of losing their attention and connection, or should I provide them with a simple actionable next step, at the risk of sounding and feeling hollow? Often I found myself learning about new cultures and their codes, and adapting my behavior and language to them: countries, social groups, professional groups. I adopted different terms, to engage with wealthy Wall Street bankers, British pension funds, Japanese trade unionists, Malian entrepreneurs, Swiss NGOs, etc.*

*Even when the starting point was agreement on the “facts” and scale of climate change, the conversations would take completely different shapes, and follow their own internal terms and logics. But was I being consistent, or consistent enough? Often, I was dealing with a personal agency issue: although leveraging the topic of climate in finance, I might have been trying to pitch an organization for sponsorship, or trying to get them to participate in an initiative of some sort. Which prevailed? Often, I dealt with the people that were willing to engage - those who already had a motivation to connect with advocates. But were they the right and most influential people? I may be stating the obvious: every relationship requires building cultural and emotional connection - it's as true in sales as it is in romance - and every relationship is a balancing act, a series of compromises. But I am sharing this because I think these relationships are fundamental to transforming the finance sector and, to get to why I am here, I just want to get better at them, understand what makes people tick, and to be strategic about which relationships matter.*

*How about you? Why are you here? What is your experience of engaging people on climate change, and on its finance aspects? How do people respond? How do you handle conflict and compromise? Whose behavior - speaking of either individuals or social groups or professional categories - should change in order for climate finance to accelerate?*

*- Jerome Tagger*



# Day 01 - Why are we here?

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## Main Summary

*Preventable Surprises CEO Jerome Tagger consciously kicked off Day One of this Climate | Finance | Behavior Dialogue with a very open-ended question (“why are we here?”) – which clearly struck a chord, as it triggered one of the most robust & rich set of contributions (~65 comments) in the history of PS dialogues – akin to a “Master’s Degree in a Day.” The discussion exhibited a breadth of concerns and ways people think about the issue at hand: accelerating climate finance (by looking through a behavioral lens).*

*Many comments already touched on the set of topics we have for the week, so there will be opportunities to revisit and go in more depth. Comments ranged from systems change (as Jerome noted, “It’s really interesting to see how quickly a conversation about climate change becomes a conversation about systems change”) to interpersonal dynamics, such as questions about inclusion: who has a say, who is in the room, and why. It is also interesting that, when we open with climate finance, the topic quickly broadens to ESG, financial markets, culture, policymakers, clients (household), decision makers.*

*In complex adaptive systems, it is challenging to isolate a problem – and hence just as challenging to isolate a solution. The usual tools (economics, etc) and experts don’t work or suffice (as Diego Espinosa said, “I believe finance is blocking action on climate. “Experts” are part of that block”): we can’t solve a problem with the same tools that created it (to paraphrase Einstein). Clearly this is no “one-size-fits-all” arena – a range of responses are needed to address a range of problems. This is where direct experience comes into play: who do we each interact with, and with what goal? Along these lines, important points were raised about our role as individual agents (as Mike Clark said: “we are all agents who can increase our own agency, and through that the agency of others”), and hence the role (limits and opportunities) of our agency: can we expect change if we “meet people where they are”? And at a higher level, should we focus on changing finance, or changing society (polity, culture, etc) – or both?*

# Day 01 - Why are we here?

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## Main Summary

*On the question of who and what needs to change, we explored a broad understanding that human dimensions – psychology, sociology – matter, and that finance people want to learn from these other domains. This line of inquiry stretched to consider perhaps one of the biggest taboos: how can we speak about morals and ethics in finance? (Which of course introduces the converse as well: how can we NOT speak about morals and ethics in finance??) This also opened up a rich vein of exploration about the importance of language (do we need to speak the language of finance to transform finance? Or does the language of finance actually insulate it from transformation?), framing, storytelling, narrative, and ... listening. Indeed, might this last item on the list may prove more important than any of the prior items?*

*Finally, on this day that commemorates Martin Luther King in the US, key questions emerged around truth-telling, and perhaps more importantly, calling out untruths – a line of inquiry that segues perfectly into our Day Two deliberations. As Tom Murtha said: “It may well be, as King said, that the arc of the moral universe bends toward justice, but it can take a long time to happen and the change/transformation we seek must be obtained in our lifetimes if we are to avoid even more calamities that can be prevented.”*

## DAY 01

Why are we here?

### Agency, Change Agents, and Action

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*"Starting from... "what are the conditions that enable and cultivate the capacities to engage...", I would add "....and do you understand the most suitable levers of influence within your reach, how to apply your own agency?"."*

*"We need to foster and support change agents within and outside our financial/political/social institutions who can serve as catalysts for change."*

*"I am not interested in evidence to drive change. We have ignored the evidence given to us over the last fifty years. So what new evidence can possibly rouse us from our slumbers? Our friends at UCL's Climate Action Unit tell us that action, not evidence, drives beliefs. So I am keen to see us doing things, starting things, changing things."*

## DAY 01

### Why are we here?

## Language / Listening

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*"We have tested the art of translating morals and ethics into financial language for the last three/four decades - to little effect, as far as real-world impact (ie. emissions) is concerned. Do we keep on doing the same thing? Or try a new language - a new story told in an old language?"*

*"I have personally come to the view that continuing to genuflect to the finance sector and restrict ourselves to only the language they can tolerate is now a large part of the sustainability problem."*

*"We are trying to speak with finance about an issue that goes beyond what the industry can cope with in their own language."*

*"It is imperative that we see these challenges as more than language / framing dilemmas. That approach, so prevalent in the 90s and 2000s has only taken us so far. It matters less what magic words we use to unlock engagement, and more about reflective and active listening, so people can hear themselves and their own thought process, and have us / you as a "Guide.""*

## DAY 01

### Why are we here?

## Stories / Narratives

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*"I tend to think - and stubbornly believe - that stories transcend numbers or strategy games when and if they stir sympathy, compassion, and admiration. Weaving stories into financial strategy-setting seems like my goal these days. So I'm here to compare perspectives, and stories, and to build a story."*

*"I'd like to see us make progress on a narrative that moves ESG (or whatever we decide to call the next iteration) forward in a way that achieves our goal of reducing emissions and climate damage."*

*"I think you could define the #1 problem of climate change being storytelling. We're not telling the right stories to the right people. On a macro level, we are finally seeing broad (ish) penetration of climate change is a crisis. But the education around what it will take to solve climate change and what a post-carbon society will look like is woefully behind."*

*"Framing, choice architecture, specificity within narrative — my own biases — are all at play in these conversations. Alas, the heuristics at play in “decision making under uncertainty,” which we’ve all known about for decades, remain ever so applicable."*

## DAY 01

### Why are we here?

#### Psychology / Sociology

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*"Our entire way of thinking about and approaching these issues must evolve -- and integrate and apply what we already know about human psychology, esp out of neurosciences and trauma -- that help point a pathway to gaining traction."*

*"Per some of Renee's comments, I see the sustainability problem as now profoundly psychological/sociological. On top of longstanding human instinct to deny difficult problems, we have created a set of institutional/cultural excuses not to act faster - 'I'd like to help, but I have a fiduciary duty not to...'"*

*"I've spent my career-to-date entirely advising wealthy individuals and families looking to drive more impact through their personal investments, philanthropy, and/or political influence. It's taken me 18 years to arrive back to where I started: psychology."*

*"Having drunk the systems Kool-Aid, I have come to the perspective that humankind is a complex system in adaptive crisis that must now change at deeper cultural and behavioural levels."*

## DAY 01

### Why are we here?

## Moral / Ethical Imperative

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*"Exploring how to restore a sense of moral obligation in finance should be a priority this week."*

*"I increasingly have trouble accepting that we cannot make finance people feel uncomfortable by confronting them with ethical, social or ecological concerns. There is no profitable finance in a rotten world."*

*"I've come to the conclusion you need both a change in values, or 'moral sentiment', and the right institutional/regulatory framework to enable those values to be acted upon –Kierkegaard would call it a 'double movement' of both culture and institutions."*

*"I like the proposal above: "climate finance is a moral thesis, not (just) a profit thesis." If this is true, "climate finance as a moral thesis is a power thesis." Diverse social groups will have diverse moral intuitions!"*



## DAY 01

### Why are we here?

## Tipping Points / Inflection Points / Turning Points

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*"This is a risk management problem (I am an actuary so you might expect me to say that!) which standard economics CANNOT address. That issue lies at the heart of the climate finance problem. We have been "hoodwinked" by economists. Integrated Assessment Models (IAMs) were not designed for finance. Where is the uncertainty, the tipping points?"*

*"We are at an inflection point in the investment industry where we face both a "once in a lifetime" investment opportunity and an existential crisis in the form of climate change. However, I rarely witness effective communications about this that cross boundaries of the echo chambers we inhabit of people who share the same values and views."*

*"I believe the turning point stays in social action and behaviours that can lead to solve the problem or make it worse. Despite the big talk and big engagement on the topic, data are worsening and we are not getting to a solution."*

*"I am here because this week is another collaboration, at the end of which each of us will have deeper insights that we can share those insights in our own networks, finance, economics, actuarial, policy, psychology, real economy, whatever. And then the folk in those network... We can reach a tipping point in behaviour."*

## DAY 01

### Why are we here?

## Truth-telling / Liar-outing

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*"Whether green-washers or graft artists, we need controls and we need to relentlessly call out those who lie."*

*"What are my incentives to challenge, to be a whistleblower? Who will hire me after I expose our profession's role as weavers for the Emperor's new clothes?"*

*"Calling out the liars about the climate crisis (and the interrelated social and ecological crises) doesn't work unless we individually and collectively support those telling the truth about science and our situation. A simple fact is that truth does not naturally or automatically prevail. Another simple fact is that many of us are afraid to stand up for the truth and defend truth tellers about the climate crisis because of career risk and the fear of being labeled a "radical" and sidelined. It's usually easier to passively be an enabler of lies than an ally of truth."*

# DAY 02

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**Does the truth  
matter, and does  
agreeing matter?**

# Day 02 - Does the truth matter, and does agreeing matter?

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*Climate change is a scientific issue (or is it?)*

For a long time, discourse about climate change was principally about science, and required expert knowledge to assess. Starting in the 1820s, scientists were keen to find out more about the heat of the planet and the variables that would explain its warming and cooling. The French mathematician Jean-Baptiste Joseph Fourier (1768-1830) first hypothesised the effects of the Sun on the Earth's atmosphere and by implication on its temperatures. Further discoveries about the causes of variations in temperature – and from heat-trapping water vapour (Eunice Newton Foote (1819-1888) and John Tyndall, 1820-93) to carbon-dioxide concentration in the atmosphere (Svante Arrhenius, 1859-1927) – were made throughout the course of the 19th century, creating a new field of research covering physics, chemistry, or engineering. So much so, that by 1967, the Japanese-born meteorologist Syukuro Manabe (1931-), working in collaboration with his American colleague Richard Wetherald (1936-2011), had created the first computer model that simulated the entire planet's climate.

Throughout the development of this field, scientific sophistication increased, and with that the complexity of hypotheses and experiments. Talk about climate change was the province of experts, and the concepts of 'global warming', 'greenhouse effect' or 'climate change' were introduced only timidly into the public sphere at that time, entering politics 20 years after the first climate model, with the landmark speech of NASA's James Hansen to the US Congress in 1988. To this day, thousands of scientists, mostly through the International Panel of Climate Change (IPCC), provide the necessary data and knowledge to assess the gravity of the climate emergency, combat the climate crisis, and understand the various scenarios we may have to face depending on our ability to do so. Terms like 'CO2 equivalent,' 'GHG,' 'energy efficiency', and so on, have become common parlance. But we can certainly experience the effects of climate change without knowing the scientific history of this field, without being familiar with any of the scientific terms associated with it. To what extent do we need scientific knowledge and certainty to act on things we can know otherwise, through experience, for instance?

# Day 02

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But it is not only a scientific issue. In Hansen's pivotal 1988 testimony, a renowned scientist competent by all available measures shared his knowledge with representatives of US citizens with a view to informing them about the causes and consequences of a warming climate, and the options for mitigating its impacts and slowing its pace. Indeed, climate science, though complex, was translated in terms accessible to US politicians, driven by the assumption that collective climate action needs to be made at the political level. **What have centuries of science helped us achieve in the fight against climate change? Since what I will call a 'political turn' over 35 years ago, has climate action become more widespread, more effective? By entering the political arena, did we submit climate action to the inevitable back-and-forth of party politics? Did climate change get hijacked?**

For about a decade before this testimony, a new stakeholder emerged in the field of climate action: corporations. Companies with interests in delaying collective action to curb climate change framed the debate as one of science, technical expertise and information.

These companies used covert tactics, such as funding established scientists, to flood the discourse with claims about scientific disagreement on climate change. Of course, climate change is a scientific issue and it is paramount to address it accordingly; but it is also a political issue – and should also be addressed as such. The consequence of this framing of the debate has been to convince many citizens that climate change is too technical a topic for them. By casting doubt on what is in fact a consensual scientific issue – namely that climate change is human-made and requires a global response to reduce greenhouse gas emissions by weaning the economy off fossil fuel-based energy – these 'merchants of doubt' have implicitly relied on this distinction between expertise and authority to exclude ordinary citizens from the debate about climate change. Since climate change is not settled, the suggestion is, it would be useless – and perhaps even wrong – for citizens to be politically engaged on the issue. **If treating climate change as scientific can hinder climate action, how can we combine scientific knowledge with other forms of knowledge (experiential, sociological, etc) about the environment, society, and climate change? What would this mean for the financial sector?**

# Day 02

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But we do talk and argue and make decisions about climate change! For the past three decades, since the Earth Summit in Rio, 197 countries or 'Parties' have come together to define, debate, deliberate, and decide what to do about climate change. Diplomats in the thousands, NGO professionals, journalists, representatives of business, youth organizations, and so on, gather every year at COPs and work tirelessly in the months in between with climate change as the defining factor of all interactions and decisions. Each COP for climate costs tens of millions of dollars. What we have achieved in 30 years is impressive but falls short of what is needed to face the climate crisis. While mobilization has never been stronger, emissions have remained on their upwards trajectory, opposition to climate action has grown, distrust for institutions and governments in charge of climate action too, and the history of COPs is marred by stalemates, bargaining, with very real and very negative impacts on climate action, exacerbating the rapidly increasing effects of climate change. Think: US withdrawing from Kyoto in 1997, and again from Paris in 2017. Think: Loss & Damage, or the discussion about responsibility for past emissions and their current effect, taking 30 years to come to a form of agreement after multiple walkouts by tens of Parties over the years. Think: the number of fossil fuel lobbyists increasing with each COP.

**Climate change is a unique, totalizing crisis, and we are deploying ordinary diplomatic and political tools, focused on consensus building, including with the business and finance community: are those adapted, in particular in light of the urgency? Does it matter who is responsible for climate change or does it matter who has the resources to act on it effectively now? What other decision-making processes can we use to design and trigger climate action?**

- **Emilie Prattico**

# Day 02 - Does the truth matter, and does agreeing matter?

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## Main Summary

*Provocateur Emilie Prattico teed up a wide-ranging and deep-probing conversation on Day 2 – thanks to you all for the wealth of observations and insights! Discussion started with the question of truth, and quickly expanded into bubbles and echo chambers, containers and spaces, and, ultimately, power. “History shows that truth can be seen as knowledge that intersects with power,” Rosalind Donald succinctly stated. But how can we responsibly challenge those who wield power irresponsibly? “How does new language penetrate old institutions (if at all possible)?” Jérôme Tagger asked.*

*The truth matters, and also, it is insufficient if it does not animate a vector of action. As well, there can be competing “truths,” depending on perspective, community beliefs & experiences, and appeals to authority. Truth is much more than scientific evidence: it is a social construct that emerges from a multitude of perspectives that ultimately intersect with power.*

*Discussion honed in on the dynamic nature of how evidence (or knowledge, or truth) can create change – for example, via social tipping points: “determined, strongly committed minorities -- 5-10% of the population -- can exert power, persuade, and effect change” as Diego Espinosa pointed out (network scientist Damon Centola’s empirical experiments peg it at a 25% social tipping point, as we’ll discuss more this week).*

*Of course, when it comes to climate change, beneficial social tipping points are counterbalanced by adverse ecological tipping points (or what Limits to Growth Author Dana Meadows calls “overshoot and collapse”), as Pablo Berrutti points out: “Climate change is a symptom of the problem. The problem is overshoot and limits to growth.”*



# Day 02 - Does the truth matter, and does agreeing matter?

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## Main Summary

*Discussion on bubbles and echo chambers noted the paradox that we want and need bubbles (as Emil Moldovan illustrated), but we also need to be able to “bubble hop,” and even break out of bubbles when they become echo chambers, switch codes, go to uncomfortable places (as Alison Taylor and Young-Jin Choi note). This kind of conscious action underlined the key role of our agency that came up yet again today (as did the importance of listening, again and again.)*

*Gabriel Filipelli’s story of the radical shift in the political conversation on science was a welcome reminder (amidst depressing news cycles) of progress. This story reviewing the past also reminded us to differentiate between the knowable present and the unknowable future (hence the role of narratives to project where we might be heading – though strong narrative is both necessary AND insufficient.)*

*And as we gazed forward, Diego Espinosa continually reminded us that Gen Z’s time horizons afford a more clear-eyed view of the consequences of climate catastrophe – a perspective that finance could stand to learn from.*

*Emilie’s other focal point – agreement and consensus – may be a harder nut to crack. But a consensus emerged that persuading isn’t the right approach to building consensus. Debate raged into the night on psychology, power, influence, and good and bad faith, which tees up future days’ conversations on incentives, on solutions (individual agency and collective action), on communication. If Day 2’s dialogue had any resolving elements, it is the vital importance of community-level action, which may transcend questions of truth and consensus.*

## DAY 02

Does the truth matter, and does agreeing matter?

### Truth / Facts: To What Purpose?

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*"For too long we believed that the truth of the facts will drive the change. It won't."*

*"Facts do matter, but will be most effective when they align the values and identity of the person and there is a clear course of inspiring action after. The huge opportunity with climate is that it's so broad and far reaching that it can be tied to almost any value I've seen and the potential for impact is vast."*

*"When we think about scientific evidence of things going wrong big time, we think of an absolute truth that must mean the same to everyone. We can't understand how anyone cannot take climate change serious once they have comprehended the data. But truth is taken in differently by different people."*

*"Yes, truth matters. Certain truths about climate change are winning. Even if we concede that truth doesn't matter as much to some people, it matters a lot to others. Third, the very fight to put out "alternative truths" demonstrates the value of having something that people experience as "true". In light of (3), even when people disagree with "your truth," I will argue that what they usually replace isn't an "outright falsehood" but some other truth."*

## DAY 02

Does the truth matter, and does agreeing matter?

### Unknowable / Future / Motivating Truths

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*"Future truths are unknowable, but we can approach them by putting on our probability hats. How to embed the probabilistic nature of future truths in a comprehensive approach to climate change? Future truths also matter, and we can increase the likelihood of walking into a future we like if we invest in many futures at once."*

*"Decades of focusing on facts have left us with a deficit in cultural, psychological, spiritual, and artistic tools to create the collective cohesion we need to act swiftly and at scale on climate and to invent the world of tomorrow that we need to bring about."*

*"Our truths whether individual or collective are all mental and social models. While there are bio-physical realities which we could call hard truths, our understanding and ability to deal with them is still driven by mental and social models (world view, culture etc). 'Truth' is therefore contextual and unknowable."*

*"'Truth' matters for motivating collective action."*

## DAY 02

Does the truth matter, and does agreeing matter?

### Truth or Power?

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*"Historians of science, such as Joshua Howe and Paul Edwards and have shown that what we now see to be scientific truth about the climate--as a global problem governed by greenhouse gases--is a product of power struggles between and within sciences."*

*"If the ultimate goal is to persuade, empower, and activate people, we have to understand what the opposition has done, is doing, and is likely to do - and we have to build a narrative and respond to the opposition in a way that disempowers them."*

*"I am struck by how we are using the same frameworks and codes that are the stalwart of climate discourse for as long as I've known it. And yet aren't we talking about a whole new world we need to bring about? How can we do that within the constraints of our own language and language that has not gotten us where we need to be?"*

*"We don't really argue over who gets to have power and decide. We argue over how to convince those who already have power of the need for an alternate course. The underlying model remains untouched."*

## DAY 02

Does the truth matter, and does agreeing matter?

### Polarization / Denialism / Delay / Incrementalism

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*"I think the bigger challenge here is less around truth and more to do with the competing interests that contribute to polarization, denialism, and delay."*

*"Incrementalism is the new denialism. I am much more concerned about climate incrementalism than outright denialism."*

*"I have sat at the tables of corporate headquarters as a private consultant, as an academic and as a representative of civil society. Regardless of the hat there is a strong, unspoken disincentive to hold the other to account – to call out the lack of implementation, lack of impacts - because everyone sitting at the table benefits from just doing the incremental."*

## DAY 02

Does the truth matter, and does agreeing matter?

### Strengths & Limits of Stories / Narratives / Framing / Communications

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*"The power of the story is stronger than the one of scientific evidence."*

*"Framing and messaging are important and matter but I don't think sufficient when dealing with these kinds of complex existential threats. in my experience what's even more important is creating conditions for dialogue."*

*"Research into climate change communication by Climate Outreach emphasizes the need for people to feel that they can do something about climate change, and that they can do it as a group. How could climate finance foster community efficacy in ways that honor different kinds of climate knowledge?"*

*"At present there are so many narratives, positive and negative that there is often a sense that many are being overwhelmed into inaction."*

## DAY 02

Does the truth matter, and does agreeing matter?

### Inspiring Action: (Un)certainty, Probability, Evolutionary Empathy

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*"Do we need to know with certainty before acting? Since the conditions for knowledge are so dire, can we accept some level of uncertainty, ignorance, before acting? Must we first fight the "truth and knowledge" fight? Or do we need to act regardless?"*

*"While systems change and existential risk are key parts of the climate truth and absolutely need addressing, they are not the BEST truth to motivate action for everyone. They are part of a strategy to motivate key actors in other parts of the system, while the best way to empower the large number of people we need is to tailor frames and actions to their own truths."*

*"Evolution engineered us not to identify truth, but to act collectively -- our winning adaptation. We have big brains because trust is an enormously complicated endeavor, and it's the key to agreement. Facts are not the primary way to win trust except in rules-based debates. Empathy and connection are. Narrative is a key means of creating empathy."*

*"There is a lot of discussion today of who is responsible for climate change, as if that is going to help us tackle the problem. Just as there is a lot of discussion of attribution science, and trying to figure out how much the probability of every natural disaster has been increased by climate change. I'm not sure that either of these things get us very far, just as I'm not at all."*



## DAY 02

Does the truth  
matter, and does  
agreeing matter?

### Trajectories: Risk, Precaution, Prudence

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*"Instead of suggesting that we refocus from 'risk to psychology,' I would argue we need to figure out how to better use psychology to help people understand and internalize the risks of climate change."*

*"The evolution as I see it, is from a more behavioral and risk-assessment lens, to messaging and framing (language and words), to design thinking and innovation (speed and scale), to now bringing these together into a more integrated approach - that includes the relational work."*

*"Precaution > Prudential Regulation."*

*"So long as 'risk and return' is all that matters we will never overcome the underlying mental and social models."*

## DAY 02

Does the truth matter, and does agreeing matter?

### Spheres of Engagement: Echo Chambers & Bubble Hopping

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*"IT is harder for us to figure out how we ourselves can be more persuasive, and to acknowledge that how we categorize 'facts' versus 'politics' is itself ideological. In other words, in trying to analyze and discuss echo chambers, have we just created one?"*

*"The issue is how we challenge each others truths and the role of the media/internet has been well-documented in this. Instead of enabling 'real conversation' (which leads to people changing opinions/beliefs/truths), what is created are 'consumption echo chambers'."*

*"There is a distinction between an epistemic bubble and an echo chamber: epistemic bubbles are easily shattered simply by exposing its members to the information and arguments that they've missed. But echo chambers are a far more pernicious and robust phenomenon."*

*"Maybe bubbles are OK as long as we're bubble-hopping a lot and cross-pollinating bubbles"*

## DAY 02

Does the truth  
matter, and does  
agreeing matter?

### Quiet Questions

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*"Let's recognize the power of quiet questions. By asking simple questions about something much deeper than the numbers on a spreadsheet, investors can enable their colleagues to have powerful conversations about their deep feelings about potential investments; about who they really were and what they wanted their organisation to be; about identity."*

*"My experience in the asset management industry tells me we are much more comfortable talking about climate science and financial metrics with asset holders than we are in asking ourselves and them "quiet questions" about racism, sexism and – dare I say – reparations, and what we're willing to give up."*

## DAY 02

Does the truth matter, and does agreeing matter?

### Empowering Agency

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*"The idea of radical change ranges from the worrying to the terrifying. I come from a working class background, and one of the predominant feelings of that life is a lack of control and agency. So to concede more control to either a new economy or the government - or even to "progress" - is profoundly worrying."*

*"Our generational labels ("boomers", "gen z") are somewhat arbitrary and inherently flawed. That said, there is plenty of evidence that this upcoming generation is the most determined to act on climate than any before (and it stands to reason). It seems easiest to affect the system by empowering their agency."*

*"Real behavior change involves knowing Who, What, and How. "*

# DAY 03

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**What incentives are  
relevant for action?**

# Day 03 - What incentives are relevant for action?

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What incentives are relevant for action? Two sets of incentives and disincentives drive the flow into climate finance: emotional and financial currency.

*Emotional Currency:* People want to belong to a group. They want to preserve what they care about most. They want to feel that their actions are effective; that they have a sense of personal agency in face of a challenge. During the first year of Covid, for example, research from the Risk and Social Policy Working Group showed that the most effective way to get people to wear masks, respect personal distance and otherwise reduce risk was messaging that these actions were effective as well as achievable. The need to feel agency is so strong that when humans feel too little power to create positive change, they may embrace “learned helplessness”: the refusal to act constructively if they believe that it will have little to no effect. They become paralyzed by challenges that seem “too big,” and deny their own responsibility. Worse, some research suggests that some people who do not feel personal agency to reduce a threat, they may believe that they have more power to prevent positive change and then seize that power.

People also suffer from cognitive biases that prevent them from dedicating resources to dealing with climate change. These include solution aversion: the tendency to downplay a problem if you don't like the solution. People are more likely to pay attention to information that confirms what they believe –or want to believe–than they are to information that conflicts with their world view.

*Financial Currency:* Finance comes down to the monetary (or equivalent in goods and services) price of both sides of an exchange. That includes the importance of pricing climate positive and negative externalities so that emissions producers share the cost that their activities impose upon society, while those who reduce emissions share the benefit that extends to others. The distribution of economic benefits and burdens to both “winners” and “losers” is another essential financial currency in the climate transition.

# Day 03 - What incentives are relevant for action?

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*With emotional and financial currency in mind, here are questions to consider in today's discussion:*

*How can each of us, keeping in mind our sphere of influence, to enhance both emotional and financial incentives making them mutually reinforcing?*

*How can each of us, keeping in mind our sphere of influence, nurture a sense of agency and shared, cooperative responsibility and power among citizens, businesses, government, and more specifically finance, so that we can reach a tipping point where action is the norm?*

*How can each of us, keeping in mind our sphere of influence, change financial incentives to speed up the clean energy/climate positive transition?*

- Michele Wucker



# Day 03 - What incentives are relevant for action?

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## Main Summary

Responses to Michele Wucker's Provocation demonstrated that, as a group, we are well attuned to which financial incentives can work (though there's healthy diversity of opinion on the specifics), but less knowledgeable about emotional incentives. As Jérôme Tagger said: "the first question that Michele raises about mutually reinforcing financial and emotional incentives is crucial and is the discomfort with which we should linger."

This intersection of financial and emotional incentives was interpreted as both a potential opportunity for cross-pollination on the one hand, or as potentially counterproductive on the other hand. These seemingly contradictory perspectives create generative tensions that can surface counter-intuitive understandings of incentives.

Duncan is amongst those who believe financial and emotional incentives are at odds, and so private and public expressions of value may differ, while Emilie notes that external drivers aren't necessarily good at changing internal drivers:

"Can legal constraints, eg, ever lead me to develop a genuine, self-driven desire to act a certain way?" Emilie asks. "Is the gap between internal and external reasons to act the gap we need to bridge if we want climate action to be adopted at scale, at pace, and by enough actors?"

A cluster of folks felt that external incentives (such as government policy) are actually necessary for internal change - at least as an alternative to market-based incentives. Along these lines, triggering tipping points in social norms (such as honor codes) illustrate the kinds of network effects that bridge individual dynamics to the complex adaptive systems. Emilie asks "how we can leverage the individual level to change the systems level and vice versa?" This raises the question of what leverage points we should focus on "incentivizing" to catalyze the kinds of systemic transformations we know we need.

# Day 03 - What incentives are relevant for action?

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## Main Summary

*As with past days, attention gravitated toward the community as the locus of change, encouraging us to reclaim our agency over incentives, and return to the roots of incentivization, which was always to fulfill relational needs (as Daniela points out) that have been abstracted out of the picture by modern ideologies. “This kind of reductionism away from our fundamental embeddedness to each other, the natural world, and care has manifested its way through our systems, our economic measurement, our political imagination, and much more,” says Denise. But, this myopic view of human life is also simply not true to the majority of human history and the anthropological record — humans have experimented for thousands of years with various forms of societal organization and systems of exchange.”*

## DAY 03

What incentives are relevant for action?

### Emotional & Financial Incentives: Cross-Pollinating or Counter-Productive

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*"Too few of us in business have the education and training to talk about and analyze non-financial concerns. Too often, I think, we end up focusing on the things we know how to measure and quantify. Sometimes, those aren't the things that really matter. We struggle to bring questions of morality and ethics into the conversation - and to give them equal weight with the more quantitative and financial issues. I wonder if there's a different framing that would make it easier for us to put morality and ethics on an equal footing."*

*"I was struck by your structure of 'emotional' and 'financial' currencies. One of my realizations several years ago was how much my emotional and financial self had become at odds. Emotional wellbeing seemed to require one set of behaviours and financial wellbeing another, with diminishing overlap."*

*"If you are working in the financial industry, insist that your remuneration is based to a significant extent on relevant sustainability-pursuing achievements."*

*"Sorry but every company out there is stampeding into incredibly poorly defined sustainability incentives. This is some utter BS box ticking!"*

## DAY 03

What incentives are relevant for action?

### Counter-intuitive Incentives

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*"One illustration of some incentives overwhelming others is how many individuals embraced electric vehicles, not by having every incentive align, but by having certain incentives dominate others. In particular, social rewards of being seen as caring for the environment (emotional), and avoiding expensive gas (financial), made less salient some of the limitations (range, vehicle cost, charging time)."*

*"Cost-benefit assessments differ a lot. While climate activists believe that the (long-term) benefits and co-benefits of climate mitigation vastly exceed any initial costs, the opposite is the case for climate inactivists: they believe that the initial costs and risks of a rapid transition vastly exceed the benefits. Their emotional incentive structure is therefore pointing at the complete opposite direction. Perhaps this could be another angle to keep in mind in private conversations..."*

*"In terms of the dialogue, there may be a range of incentives for people to participate - networking, reputation, learning, the intrinsic value of feeling that one is contributing to better understanding of solutions."*

## DAY 03

What incentives are relevant for action?

### Codifying Incentives as Policy

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*"In order to fix the current market and regulatory failure, either duties and liabilities to avoid severe societal/environmental harm must become enshrined in law and/or incentives and disincentives for economic activities that determine an asset's profitability and financial risk-return profile must be modified."*

*"We didn't get rid of DDT, or lead in gasoline and paint, or asbestos, by changing the incentive structure. We banned them. We didn't make cars or refrigerators vastly more efficient by tweaking the incentive structures. We put mandates in place. There are incentives still - but the approach starts from a point of view of establishing market rules that delineate what is okay from what is not okay - and then requiring everyone to operate within those guardrails."*

*"In the end, if there were just set of policies (fascist incentives) that we all must show up at the gym, exercise, converse, eat, dance, then that would probably work best for me. Atypically here, I don't necessarily need to know all the why and wherefores. And I do not need to make the policy, I just need to be under its control."*

*"To an economist both sticks and carrots are incentives - both are ways to internalize externalities. Besides taxes, fines, and subsidies there is also cap and trade based off setting a market pollution ceiling. Both the original Montreal Protocol and the US Clean Air Act are successful examples of using tradable credits. All of these mechanisms can result in increased consumer costs to individuals or higher taxes."*

## DAY 03

What incentives are relevant for action?

### Norms as Incentives

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*"The group most likely to change narratives is moderate corporate executives, from millennials in Director/VP roles up to the c-suite and boardroom, because they live in communities that are both heavily norm-enforcing, and populated with a people strongly proposing a new narrative (yes, the gen z children and grandchildren of these executives), because their workforce is increasingly pressing the new narrative, because their consumers are also pressing the narrative (same). Therefore they have both emotional (societal norm-enforcing, aka belonging) and financial (revenues and employee costs) incentives to shift. Maybe we should direct our energies to helping that narrative spread within corporations?"*

*"A system of recognition, accountability, and/or social rewards would be beneficial. In addition, individual consideration of conflicting pressures and information can help to discuss issues in a way that is not dictating but co-navigating, the available options."*

*"I have the impression that many people tend to think of the behavior of financial institutions and corporations as matter of free will, as if they were moral agents like human beings. But instead they are subject to the norm of shareholder primacy."*

*"We use the acceptance of others as a proxy for our own acceptance decisions. If a critical mass of folks I respect embrace an idea, I'm much more likely to join in."*

## DAY 03

What incentives are relevant for action?

### Individual vs Systemic Incentives

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*"Incentives flow through a system but also originate somewhere. This is why I keep returning to primary investors (i.e., private households)."*

*"My thought here is to open an avenue for exploration about how we can leverage the individual level to change the systems level and vice versa."*

*"I wonder whether concentrations of economic power, control, and influence (all terms to be debate/defined) are an emergent property of the system, itself, (and therefore very difficult to diffuse with minor incentive tweaks)?"*

*"The behavior of the system is not the aggregate of individual actions -- not the "sum of the parts". At the level of the whole, independent dynamics emerge. In order to have "system agency", we need to influence those dynamics."*

## DAY 03

What incentives are relevant for action?

### Reclaiming / Relocalizing / Internalizing Incentives

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*"And part of reclaiming incentives will have to include new storytelling about who we are, what we value, and the concurrent evolutionary instinct that all successful living systems have, which is to \*maintain your habitat / ecosystem,\* while also surviving within it."*

*"Until we can reconnect corporations to their communities and have corporations that are there to help their communities prosper rather than profit from them, any attempt to connect remuneration to meaningful change is likely to remain problematic."*

*"Incentives originally have to do with social reputation, with emotional gratification in a social and relational context. Money incentives and remuneration incentives within modern corporations have grown together with the weakening of the relational context. I would say that the stronger the relations are, the stronger the emotional currency. With respect to climate change or complex challenges most of us can feel powerless as long as we are not given a role to play and to feel part of a community, getting in the end emotional incentives."*

*"I wonder then, if we wouldn't advance on the question of the day by understanding the connection between internal and external reasons to act. Can legal constraints, eg, ever lead me to develop a genuine, self-driven desire to act a certain way? Is the gap between internal and external reasons to act the gap we need to bridge if we want climate action to be adopted at scale, at pace, and by enough actors? External reasons apply to institutions and organizations, in a way that internal ones only apply to people: is convincing people via internal reasons to act the way to get institutions and organizations to move?"*



## DAY 03

What incentives are relevant for action?

### Incentivizing Agency

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*"Lack of agency results when stakeholders don't believe that they can influence outcomes."*

*"There must be assurances of acting in concert. Who will move with you, when, and what are the consequences (e.g. competitive) for those taking actions different to the norm. Agency does not guarantee efficacy, but collective agency and action can ensure some level of efficacy. This calculus likely underpins decisions and in particular inaction."*

*"It is the thought that my own actions are much less relevant than that of other actors, or that they don't matter as long as others don't do the same."*

*"Planning that lays out the image, ie what are we transitioning to, how, when, engaging who etc, isn't just the first step toward execution, it is the first step toward agency."*

# DAY 04

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**Driving change:** agency  
and collective action, and  
stories and  
communication



# Day 04 - Driving change: stories and communication

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*Dominant media stories portray climate change in scientific terms, as a far-away problem that is starting to have some spectacular consequences. This has led to a dominant narrative about climate change in which there are few people. This imagery, which is compelling to some, makes it all the easier for many others to avoid engagement, or to feel alienated from the technical jargon. Stories that do not connect with audiences mean that people may not be receiving the information they need, when they need it. This dominant story, of greenhouse gases and lone polar bears on ice floes, is continuously reproduced despite its unattractiveness to large parts of the population. It shows us who wields power in the climate debate.*

*An activist I once interviewed was frustrated: Environmentalists she had tried to partner with were worked up about plastic straws and sea turtles, but, she felt, weren't interested in people living just a few miles away facing sweltering summers without money for cooling.*

*Conversely, the climate stories of the most marginalized do not always center on carbon emissions. They do not focus on technological fixes, but instead demand action on historic injustices. Many are wary of new efforts to make environments more resilient. Instead, they center the histories of exploitation, of which climate change is a symptom. These are the stories that remind us to be wary of techno optimistic fables or magic bullets which do not reckon with these histories. Finance is inseparable from climate change's history as a product of colonialism and capitalism.*

*Studying stories helps us to understand how people make sense of the world, and how they incorporate stories into their lives. When people talk about climate change, they are often telling us their beliefs about what makes a good life, and revealing how they interact within systems of power. This can lead to very different understandings about what climate change is and what should be done about it, even when people agree it is a problem. Whose stories count most, and are considered most relevant, rational and practical, is often connected to the power they wield.*

# Day 04 - Driving change: stories and communication

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When I was researching understandings of climate change in Miami, Florida, I was told the city had no climate deniers. But what was climate change? Many officials described it as a technical challenge that simply demanded better water engineering to allow Miami to continue its rapid growth. Meanwhile, community leaders connected it with gentrification pressure, calling for the city to finally protect its lower-income residents, many of whom work the service jobs that form the backbone of Miami's economy. They worried that new climate initiatives would simply accelerate the dispossession of the most marginalized. Miami was built on the exploitation of cheap labor and the displacement of Indigenous and Black people once the land they occupied became desirable to white elites. Without efforts to dismantle the machine of exploitation, climate policies would simply give it momentum. Faced with these competing priorities, Miami officials hired a consulting firm to test potential new messages to generate support for their climate policies. The firm suggested the phrase, "We are all in this together", to build consensus around the city's solutions.

But is a top-down consensus the story Miamians need? Understanding that the terms of the climate crisis are contested helps to clarify the stakes as we search for new stories. Stories can center the voices of those most affected in imagining better futures, or they can silence those voices, reproducing oppression with a greener tinge. Messages such as "we are all in this together" ring hollow to people displaced because climate initiatives are leading to increased housing costs in their neighbourhood, or benefiting only the wealthiest.

As we try to find new stories to inspire and build a post-carbon future, I suggest the following questions:

- Do our stories allow for inaction and inequity to continue unchallenged? If so, what can we do about it?
- If, according to many groups, climate change is the product of exploitation through capitalism and colonialism, can finance be part of a transformative, even reparative, response?
- Do we need new stories, or do we need to understand existing ones better?
- What is the current financial sector's narrative, and how could it change?
- Building on this week's learnings, how can we challenge preconceptions about climate change, desirable futures, and the means to get there?

# Day 04 - Driving change: agency and collective action

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We all know that change happens as a result of both internal thought processes and external social forces. The inputs into collective action seem predictable: facts, expert opinions, logical arguments, evidence, and emotional appeals. However, the outputs of group action are, to even the most highly trained psychologists, often surprising. Well-reasoned and evidenced ideas just don't seem to catch on, while some movements appear to take hold of groups from nowhere, and even against what seems rational.

We know that agreement on facts and truth is important, and not easy to resolve, as you discussed in previous segments of this exercise. However, if we assume for now that there is agreement on the facts, why are these facts not leading to nearly as much action as would be expected or necessary?

With climate change, the challenge of effecting change is typically viewed as one of a few common explanations:

- Inaction or disbelief despite considerable evidence and reasoning in favor of action.

- Competing incentives (per yesterday's discussion, motivations or loyalties, such as political affiliation, funding, and even bribery.
- Bad intentions or lack of compassion regarding other people or future generations.

Most decisions are made by groups, meaning that group dynamics are also important barriers to change. In my experience as an Industrial Organizational Psychologist, I think that the most critical group dynamics considerations for climate change are:

- Groupthink. Cohesive groups such as those in government and the private sector may be more interested in maintaining group harmony and their status in the group than on making good decisions. This can also mean that dissenting is difficult, as is bringing up difficult issues.
- Diffusion of responsibility. Blame and consequences are shared by the entire planet, or large sectors like "big business", allowing for individual actors (and even groups/companies) to avoid being personally responsible. Knowing this, they're also willing to "go along" despite knowing better on some level.
- Halo effects. Certain people, because of their leadership position or personality, have excessive sway in groups. By virtue of their gravitas, their input may matter more than objective facts or the opinions of others.



# Day 04 - Driving change: agency and collective action

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*In addition, we live in an increasingly polarized political climate where the other side is no longer just wrong but also viewed as “evil”. In places like the US, knowing who someone voted for in a recent election likely tells you their position on climate change as well, and people on both sides are surrounded by echo chambers and social reinforcement of their current set of positions/beliefs. Changing views on a position may affect relationships as well as judgements on one’s intelligence and morality. Further, past politicization of climate issues may leave people believing that political and not scientific motivations underpin calls to action.*

*Finally, we must consider the specific psychological process of changing one’s mind from one side of an issue to another, or from inaction to action. Regardless of the context, it feels bad to admit that we have been wrong about something, as it suggests a lack of intelligence or character. This is amplified when our position is known to others who then make judgements, and when we have been particularly vocal or active in the past. In these cases, individuals or groups must have a way to both change and do so without humiliation or negative labels.*

*Someone who has opposed climate action for decades, argued that it isn’t a problem, and behaved accordingly by consuming and polluting, has tremendous internal motivations to continue believing the same thing and that all of these beliefs and behaviors were not misguided, and that they were not foolish for taking part in them. The same is true, of course, for an outspoken climate activist making personal sacrifices, for example. One key to change for both of these people or groups is to have a narrative to explain the change that does not reflect negatively on themselves.*

*So, how do we go from knowing what needs to be done (again assume for now that this is agreed upon and inaction is the only remaining hurdle) to realizing that action in the context of these multifaceted barriers at the individual and group level?*

*Several unanswered questions stand between desires for more action and seeing those desires become a reality:*

# Day 04 - Driving change: agency and collective action

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Building on this week's learnings, can we facilitate better decision-making processes, particularly in finance? Are there changes to meetings, hierarchies, or communication that could facilitate better quality decisions, in particular by reducing the effect of problematic intra-group dynamics?

Is there accountability in decision making, or is it too diffuse? What if a person or group is wrong, or chooses inaction when inaction is appropriate? Will there be blame or more serious consequences on individuals? Would people make the same decisions if they were placing a large wager dependent on their decision now being viewed as correct in the future?

Who actually holds the power to make the changes sought? What would successful action look like? What specific actions would need to be taken and by whom?

Are the motivations and experiences of those in power different from others? Do older generations feel there isn't enough time left in their life to benefit? Have they ignored past warnings with minimal repercussions, leading to viewing current claims as also likely to be overblown? What reasons do they give when asked about inaction?

Are collective action and allowing for disagreement mutually exclusive? Allowing for the maximum amount of disagreement and freedom to act independently, collective action will only occur where opinions converge. On the other hand, acting in unison would leave no room for varying opinions at all. How is this balance managed? challenge preconceptions about climate change, desirable futures, and the means to get there?

- Brian Harward

# Day 04 - Driving change: agency and collective action, and stories and communication

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## Main Summary

*Provocateurs Rosalind Donald and Brian Harward instigated our collective exploration of how to drive change – via stories & communication, and agency & collective action, respectively. Discussion cross pollinated not only between these two threads, but also across days, interweaving themes that have been developing throughout the Dialogue.*

*Clearly, the role of narrative and storytelling has been a theme all along, but discussion deepened today to consider the specific question of what new narratives and stories may be needed. In his continuing role of helping frame our inquiry, Jerome suggested: “Perhaps rather than trying to control a narrative about a desirable future, we need to place some hope in its emergence from a multitude of narratives.”*

*In fact, participants underlined the key role of narrative diversity to counteract the impulse toward narrative homogeneity, while also noting the value of narrative specificity – details, and description matter! And who better to paint such pictures than artists, from solar punk and science fiction writers (Ministry of the Future) to Hollywood stars (Don’t Look Up!) to performance artists – including activists who splash soup on Sunflowers to make a storytelling splash.*

*Some stories no longer serve, creating the need to mend broken narratives, and also potentially a need to resolve conflicting narratives, in instances where the divisive diversity distracts. Of course, stories also have the power to pull us together on climate, particularly when they serve to humanize our predicament – for example, binding us together through our shared grief. Or to transcend space and time, across national borders and generations past and future.*

*Other emotions swirl around climate, including guilt and shame, which can serve to shut us down, requiring deft navigation when trying to inspire powerful parties (individuals, companies, financiers, etc) to take responsibility and accountability for their climate culpability, in a present and enduring dynamic. As Young-Jin projects: “one day future historians and archeologists will try to figure out to what extent the generation of the early 21st century knew (or should have known) what long-term damage it was really causing to its descendants and to life on earth. It will be part of a coping process of emotionally coming to terms with a traumatic past.”*



# Day 04 - Driving change: agency and collective action, and stories and communication

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## Main Summary

*On the flip side, many players are banding together in collective action to leverage their agency toward accountability and advocacy for climate transformation. Along these lines, Truzaar Dordi picked up on a seed planted yesterday by Denise, around the dynamic of “superclusters” of powerful actors with consolidated power: “In my most recent work, I find that just ten financial actors own half of the emissions potential from the 200 largest fossil fuel firms - and these actors alone can be key leverage points to enable the low carbon transition. What this tells us is that ownership and control of the fossil fuel industry is highly consolidated (and in fact, these capital markets may pose formidable political constraints to the low carbon transition).”*

*The question remains: can this “superagency” that can be leveraged away from delay to accelerate climate action?*

## DAY 04

Driving change:  
agency and  
collective action,  
and stories and  
communication

### New Narratives / New Stories

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*"The new narrative must include: 1. a different approach to how we perceive the world (embeddedness and interconnectivity instead of our analytical zooming into details hoping to piece together the whole by understanding the isolated details); 2. a different understanding and assigning of agency to natural actors (eg rivers, dolphins, forests, ants) with legally protected rights and representation."*

*"Do we need new stories? I think yes. We could even think to move away from the catastrophic imaginèr which does not seem to move public opinion, except for the young generation, to the positive side of the story... to contribute to build a better world... without smog and pollution. If the tragedy does not offer an appealing narrative, what about the happy end."*

*"We need new stories -- not about greenhouse gas and polar bear stories and bleaching of coral reefs but new stories that bring back moral responsibility in a very, very subtle way to make clear that the world has become so small that decisions by single companies or even individuals can have systemic repercussions."*

## DAY 04

Driving change:  
agency and  
collective action,  
and stories and  
communication

### Narrative Diversity & Specificity

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*"Each social group implies a different strategic communication campaign - can we make it not cool for hip people from SOHO to fly 30 times a year? Can we turn out voters to support senators who are driving finance policy? Can we help Gen Z understand who not work for in case they already have a CO2 ambition?"*

*"In marketing, messages are crafted to connect with market segments. We can do the same thing in marketing actions to address climate change. For example, poor working class Americans might find the transition away from carbon-based energy compelling if it is packaged as an initiative that will provide them with less expensive energy and more jobs at higher wages. Stories targeted to consistently reinforce these messages would provide the repetition needed to cement them as beliefs connected with personal values."*

*"Climate stories would do well to add specific locations, characters (h/t to Rosalind Donald on that point), projects, points of dispute, and points of harmony."*

*"Do stories allow inequity and inaction to continue unchallenged? They present a moral challenge, but rarely present an alternative. Climate consensus seems likelier to emerge from stories of a world in which climate-smart policies hold sway, and from stories of a journey from ignorance to mastery over climate responses in daily life. So I hope we can get away from stories about whether "we" will "do something" and build a trove of stories showing what specific people in specific groups are doing or could do in specific places."*

## DAY 04

Driving change:  
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### The Art of Storytelling

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"Currently, we have two dominating narratives in the sustainability debate: 1. We are doomed; 2. Technology will save all our problems. None of them is correct, none of them is helpful. A third voice is emerging and - as usual - it starts with new imaginaries developed by artists (eg hope punk or solar punk in literature) that develop a vision of a good society. Whatever we design in our institutional setting - including finance - needs to have such a reference point that provides meaning, hope and the motivation to make some sacrifices today to achieve this vision in the future."

"As master storyteller Ira Glass (This American Life) said it: stories are "anecdote + place for reflection". With anecdote being a sequence of actions: "This happened, and then this happened, and then this." When it comes to climate change, we've somehow forgotten that all the stories we used to read as kids and enjoyed and learned from so much - follow this simple format. Now, when it comes to climate change, we use 'story' to talk in abstract terms about things that we think other people should be as worried about as we are. In a paper I wrote with colleagues, we call that 'issue-based storytelling'. It's not anywhere as powerful as 'real' storytelling."

"How to elevate the voice of artists? 1 - many artists are already leaning into CC; when we see good example, give them visibility! 2 - set up prizes awarding good climate art (e.g., through the foundations you advise). 3 - let artists have their way. Don't be heavy-handed in forcing a particular theme or approach. Art shouldn't be moralizing - it should be intrinsically appealing on its own right, otherwise the theme will seem cliché and forced."

"I believe a holistic, systematic and repeated approach has better likelihood for success. For real progress to be affected with regard to CC, we need to achieve that urgent herculean 'whole of society' effort in which all have a vested interest. Artists lead the story-telling / narratives (yes, I think we need new ones), regulators / governments provide the framework through public policy (e.g. Washington State, as Billy Gridley points out), business & enterprises lead with technological changes (e.g. Breakthrough Energy Ventures), and individuals (with a new tech. platform?) drive all the above with social mechanisms you've all described so eloquently."

## DAY 04

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### Fixing Broken Narratives, Resolving Conflicting Narratives

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"Four narratives that are no longer working, and suggestions for improvement: 1) "Corporations promote personal responsibility as a way to take responsibility off of themselves." Better: We need individuals, corporations, AND policy makers to ALL be all-in. 2) "You won't make a difference if you [reduce meat consumption, switch off that light, insert personal behavior example of your choice]." Better: We need everyone to do their part, no matter how small. Beaches would not exist without trillions of grains of sand. 3) "Climate change is slow-moving." Better: Climate change is here and accelerating -but with urgent action, we can limit the damage. 4) "The cost of mitigating climate change is too high." Better: By shifting subsidies away from fossil fuels and investing in sustainable energy including transportation and building practices, we can create jobs, spur economic growth, and reduce future energy and disaster response costs --leaving more resources available for other priorities as well."

"I find comfort in Stuart Hall's observation that hegemonizing is hard work. Yes, the growth doctrine can seem inescapable, but it is not invulnerable."

"The reassuring 'growth solves all problems' story is the underlying narrative that the financial industry and broader economy is marching to. It's the narrative we are relying on without many people knowing it's the narrative we are relying on - or having thought explicitly about whether it's a true story. The alternative story (from the perpetual economic growth story) includes the idea that the real world has thresholds and tipping points and, yes, 'limits', and that complex systems from small organisms to whole civilizations and ecosystems regularly collapse and fail. This is a difficult narrative - and economics explicitly sought to suppress it in the latter part of the 20th Century - but sometimes it is true."

"Many in finance hold the belief that a technological response to climate is possible. This so-called Promethean response is really predicated on the idea that humans have found ways to innovate our way out anything and have the capacity to do the same with climate. As such, why worry? This works hand in hand with an economic rationalism discourse -that the market can be trusted to produce the changes required to mitigate climate risk. Here, extensive government intervention is unnecessary as the market will produce the required responses. I also think many (although I have no evidence to know this) in finance and big business are looking for a governmental response. This is essentially administrative rationalism and to me works for business by levelling the playing field between those willing to spend to be sustainable versus those that are willing only to maximize profits. This obviously requires a belief that the market cannot, itself, solve climate."

## DAY 04

Driving change:  
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### Human Dimensions of Climate Change: The Story of Grief

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*"As an important aspect, a new narrative must make space for grief because we only move forward when we are given the space to grieve what we have lost. Without grief there will be denial."*

*"Our ability to shape narratives that move us along the stages of grief requires us to take into account a range of current emotional stages, which is fundamentally a coexistence and social inclusion question."*

*"Narratives need to be honest about the human dimensions of climate. What does climate change mitigation mean for dignity? What does it mean for grandchildren that we all hope to have? What does it mean for those suffering poverty?"*

*"Quoting Tim Morton on the need for comedy: comedy means you allow all the emotions, not just fear and pity, to coexist, kind of like an emotional equivalent of biodiversity. I think comedy is deeper than tragedy. When you can laugh, you can cry. This is grief work."*

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### The Story of Intergenerational / International Equity

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*"At the national level there is a continual narrative around relative wealth between countries which crowds out narratives around climate change. That is, while many people argue we need to temper economic growth to reign in climate damage. others argue that it is unfair to prevent poor countries from developing."*

*"The people most receptive to Climate Crisis are the parents with young children or parents-to-be. That's the truth. That is the currency of hope. Our stories and narratives need to be visceral or else they will be forgotten no sooner they are recited."*

*"The narrative focused on climate change is good at investor level, it is however not moving at citizen level. A narrative focused on interconnection in all areas of the globe would be more powerful."*

*"I know some people talk about money flows from rich to poor countries, but not much is happening (yet) and most of what has been pledged is still just a pledge. What would have to shift for us to treat climate like the global crisis it is, and decide collectively to invest at a scale commensurate with the problem? It feels like we're operating with one hand tied behind our back, and only seriously considering approaches that put private finance in the lead."*

## DAY 04

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## Blame & Guilt, Responsibility & Accountability

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*"We have to carefully navigate the tensions of responsibility and accountability, with shame, blame, and guilt that are well-known to shut people down, and lead to disengagement. (This is neuroscience, nothing new there.)"*

*"Arguing about who to blame in the middle of an existential crisis, when a timely and well-executed intervention is urgently needed, can be distracting and counterproductive. In such a state of emergency it is critical to maintain a cool head and to pragmatically focus on the task at hand. The first priority is to stabilize a dangerously volatile situation until a sustainable balance has been regained. This holds true even if - as in case of the climate crisis - the process of stabilization will likely take multiple decades. On the other hand, the victims' desire for justice and reparations will become increasingly acute over time. To this end, I believe it is important to preserve and maintain relevant public records."*

*"I really like the way you point out the flattening effect of "we should do something", which perpetuates the myth that all humans are equally responsible for climate change and that any response is desirable."*

*"For people in positions of power, accountability is in conflict with preserving the status quo of their power."*



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### The Story of Collective Action

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*"It seems like when it comes to relations among nations, we are stuck primarily in a narrative about individual (person, group, country) action, and are unable to seriously talk about undertaking actions that would benefit us all but would involve large short-term costs paid by the wealthy. The idea of jointly investing for the common good (with the wealthiest paying the most) seems not to be a serious contender for attention."*

*"Finance could just as well work FOR society via co-operative banks within communities that lend out money to productive purposes, for example, instead of mega-banks with million-dollar pay package, chauffeured CEOs and leveraged high-frequency trading hedge-fund wizkids."*

*"Michele Wucker rightly points out the dialectic between individual and collective action is a stale cliché, and we need to identify micro and macro-scale tactics that work in tandem. A few observations, because the actions of different kinds of individuals matter at scale in different ways: If you're rich, your power as a consumer matters more—personal jets, fifth homes, etc. Consumer decisions of high-net-worth individuals do matter! if you're not as rich, but you're a citizen of a country with a large financial system, your vote matters. if you're not a citizen of such a country but work in the corporate sector, ensure your labor provides CO2 additionally."*

*"Collective action and allowing for disagreement are not in the least mutually exclusive. In fact, their very coexistence (even in tension) may be necessary for broad, embraced progressive action in many important cases. Acting in unison means taking joint action, it does not mean blanket consensus or agreement on all things."*

# DAY 05

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**Synthesis**

# Day 05 - Synthesis

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The last few days have been overwhelming for the volume, breadth, and range of analytical perspectives, which we have tried to provide a summary of here. I know that Jerome wanted to organize this dialogue because, in his words: “The moment we bring humans into the topic of climate finance, we no longer talk about just climate and finance. We start thinking in systems. It’s both liberating and challenging because distinctions between people and institutions, between environmental and social issues, between financial drivers and moral drivers, etc. need to be outlined and explored systematically.

This also raises many questions about us - when we question other people’s choices and values, what does that say about us, about our agency, about our incentives? When we create this space for discussion, what does that say to those who aren’t there?”

I have intervened less this week than usual, partly because It has been so interesting and fun to watch the perspectives that have emerged. Having spent three days straight in a windowless room with 41 MBA students the previous weekend, it was striking to see the differences in language, focus, and priorities.

If what we want is deep analysis and a cross disciplinary perspective, we have achieved that, and much more. There is enough to read and think about for many weekends to come (or, as one participant said, “I feel like I’ve learned more in the past few days than I have in the past year!) If what we want is to change, I think there have been some fascinating perspectives here on how to go about this.

As I look over the notes, it’s also clear that we’ve come to these observations from very different places, and ideas about relevant subjects, targets, or financial institutions (or sometimes we could leave it equally undefined). At times we spoke about humankind, at times about households and their various roles in society, as savers or voters for example, at times we spoke about decision makers in financial institutions, asset managers, owners, or banks, and often about policymakers. It will be key to be more specific about those in the practical implementation.

In this short time frame there is no way to do justice to the more than 300 contributions so far in this dialogue so far (a record in our experience), so here is a hot take on dominant themes, and some questions to take these learnings forward:

# Day 05 - Synthesis

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- **The role of narratives:** Most participants see them as fundamental. Rather than a grand narrative, multiple stories may be more inclusive, more effective at reflecting the ways that climate change is personal, including a diversity of values and experiences. They have a role in finance too: for clients and beneficiaries, and for analysts and risk managers, as a way to bring complexity to scenarios
- **The role of emotions:** The grieving process, because there is no turning back the clock on climate (and for which narratives can play a role). The experiential response to severe weather events. Those that professionals can experience when coffee traders look away from the spreadsheets and meet smallholder farmers - which has the potential to transform their empathy, but can also result in greenwash (as one participant revealed)
- **But there are other deeper and more personal forms of engagement: try attuning and listening.** There is no reason why people will just accept stories or narratives just because we tell them to. Psychologists know listening is a key to empathic connection that can bridge tribalized divides and cognitive chasms. But this raises a question: what does it take to be in a position to listen, for example in terms of social position? Experience show public narratives and private listening may be complementary strategies and break into different closer or further spheres of influence

# Day 05 - Synthesis

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- *The mechanisms – and perhaps more importantly, cultures – of accountability seem insufficient to the task. Calling out liars such as climate deniers is necessary. It is also costly, because it is a much heavier lift and can threaten careers - some prefer to use their energies elsewhere. The incentives of key players involved in climate finance - from corporates to financial institutions to many NGOs - is to revert to incrementalism: minimize cost, maximize reputational benefits. One can't fix a problem with the tools that created them. This might be about the tyranny of experts, but there is also a large and cogent critique of capitalism and its detachment from the environment underpinning large swaths of this dialogue. How do we then break out of this accountability vacuum? The dialogue spawned a healthy debate on professional incentives (read: bonuses) linked to sustainability objectives. The evidence remains thin. Ideas involve: a shift in business culture (see narratives, etc). new governance models that build in the interest of nature, legal protections for nature.*
- *The relationship between Truth and Power. Who holds knowledge? Does it matter where it comes from and how it is created and communicated? The history of climate science shows that truth can be seen as knowledge that intersects with power: in effect, the scientific take on climate as a global problem governed by greenhouse gasses – is a product of power struggles between and within sciences that de-emphasized more localized measures. The notion of a “supercluster” of powerful actors in finance (the 0.0009% “super-entities”) with super-concentrated power and leverage. This raises a question: As a power, is this supercluster party to or indirectly protected by the scientific consensus? Is it a vector of transformation? In the vein of this discussion, it is maybe no surprise that participants valued the truth - a complexity of truths - much more than they valued agreement, as a condition of success in climate action.*

# Day 05 - Synthesis

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- **Shifting social norms.** They are at play with the narratives of course, from religion to policy, to the “Honor Code” of financial elites. The opportunity to leverage social tipping points that can swiftly shift social norms to collective behaviors and impacts necessary to avert the worst of climate change. This strategy builds on others (such as narratives / stories), but it adds the element of network dynamics.
- **The notion of agency** – including the perceived lack thereof – wove its way into the fabric of the dialogue. What deprives us of our sense of agency – individually and collectively? And more importantly, what empowers our agency? We go back to the grieving process, and observe that the world is stuck between anger and denial. And the necessity to adapt to people’s respective spheres of opportunity and influence.
- **The dynamic tension of continuums ran throughout:** Individual / systemic dynamics: where to focus: complex adaptive systems can exhibit unique emergent dynamics unattributable to the aggregation of individual impacts. Does this mean we need to focus more on the systemic “superorganism” of collective impact? Internal / external motivation / incentives: here again, to what degree can these be mutually coherent, or are they inherently conflicting when morals tell us one thing, but professional incentives tell us another?
- **Policy looms.** A (predictable?) divide between those who believe that policy mandates are necessary to drive change, and those who see those as yet another invitation to game the system. A recognition that the political context has shifted, at least in the US: Climate change is no longer a conversation killer. Progress, but divergence on cost benefit analyses and partisanship remain. But policy as an external incentive to change does not affect internal (moral, psychological) incentives of change.

# Day 05 - Synthesis

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## Questions:

- What is your *biggest takeaway or learning* from this dialogue?
- Did the dialogue bridge knowledge gaps, for example in terms of social or psychological tools for finance people, and an understanding of finance for social scientists?
- Did we build our own echo chamber with this dialogue? If so, how do we break from it?
- Or, did we “widen our bridges” of network connections, enhancing the potential to propagate tipping points in social norms?
- What are your actionable takeaways? What is one thing you might approach differently going forward, in your sphere of influence?

- Alison Taylor



# Climate | Finance | Behavior

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