

## WBS-Sustainability Research Forum



**Speaker:** Dr Richard Perkins, Associate Professor in the Department of Geography and Environment, LSE and an Associate of the Grantham Research Institute for Climate Change and the Environment

**Title:** Investor coalitions, climate governance and the fallacy of scale

**Date/time:** Thursday 05 December 2024, 11:00 – 12:30

**Venue:** WBS, room confirmed on registration and online via Teams.



**Bio:** Dr Richard Perkins is Associate Professor in the Department of Geography and Environment and an Associate of the Grantham Research Institute for Climate Change and the Environment. He is also the Director of the MSc in Environmental Policy & Regulation. Richard's research interests focus on the governance of climate and environmental change by both public and private actors. His most recent work examines the legitimisation and effects of sustainable finance.

**Abstract:** Investors have emerged as increasingly vocal actors in the landscape of private climate governance over recent decades. An oft-cited challenge facing investor action on climate change is that individual investors may hold only a small proportion of the debt or equity of any single company. One potential remedy to this issue is to pool resources and amplify influence through coalition building. This paper seeks to interrogate the effectiveness of investor coalitions in driving climate action by companies in the real economy. To this end, we examine the case of Climate Action 100+, by far-and-away the largest investor coalition. The empirical basis for our study is semi-structured interviews (N=55) with target companies, investors, and experts, together with document analysis. Our findings show that CA100+ has contributed to some enhancements in company disclosures and, to a lesser extent, target setting. Yet, there was near consensus from corporate respondents that CA100+ had a limited impact on actions that would go beyond the boundaries of the "business case". To reconcile the discrepancy between how CA100+ projects itself, and how it impacts company behaviour, we invoke the concept of 'fallacy of scale'. Our argument is that, because CA100+ is unable to effectively mobilise its scale to effect change, size provides a misleading impression of real-world influence. A combination of uneven commitment by members, uncertainty about anti-trust rules which prevent collaborative action, and circumscribed investor expectations, all constrain pressures exerted on corporates. In drawing these insights, our paper questions whether collective action initiatives can overcome the obstacles faced by individual investors seeking to act as 'stewards of the commons.' We also contribute to debates in environmental governance by problematising how 'scale' is enrolled by private actors to claim legitimacy and influence.

**Register:** Email [sib@wbs.ac.uk](mailto:sib@wbs.ac.uk) to register your place at the WBS-SRF with Richard Perkins.