



Domini

NO MORE BUSINESS AS USUAL

How social investors can help bring about corporate and political change. By Amy Domini

AS I WRITE THIS MONTH'S COLUMN, THE PRIMARY ELECTION CYCLE HERE IN THE U.S. is in full swing. By the time you read this, the identity of our Democratic presidential candidate may well be known, but right now it's anybody's guess. What has become crystal clear, however, is that the American people are focused on something that's being called "change."

With the military mired in a brutal war and the economy apparently entering a recession, it's easy to see why the banner of change has become popular. And perhaps unsurprisingly, the banner is being raised by candidates not only from the opposition party but from the party in power.

Its meaning, however, isn't exactly clear or consistent. To some, change means little more than a different face with the same policies. To others, it represents real changes in direction—withdrawal from Iraq, and universal health insurance. Some candidates go still further.

If you look at the opinion polls and listen to the messages of change that are resonating with the public, all of this appears to signify a deepening uneasiness with the shape of the political and economic system.

Candidates—at least those on the Democratic side of the election, which is where much of the energy seems to be—are competing as to who has more effectively and completely rejected the campaign contributions of corporations and their lobbyists. They rail against big corporations that ship company profits to overseas tax havens; each candidate claims he or she is the one who



can overcome the resistance of pharmaceutical and insurance companies to real health-care reform; each one talks about the big military contractors and their impact on U.S. foreign (i.e., war) policy, and about the pressing need for the energy and utility sectors to put a genuine focus on developing energy alternatives at last.

What does this have to do with the usual theme of this column, socially responsible investing? As it turns out, quite a lot.

First, as social investors, we've been talking for a great many years about the issues of corporate behaviour and its impact that are being aired during this campaign. In our research, we look closely at how companies use (or abuse) their political influence, at the gigantic social costs of for-profit health care, at the dangerous influence of private military contractors on the conduct of war and foreign policy, at companies' responses to climate change and at the impact of government contracts and tax incentives on corporate strategies. We set standards for corporate behaviour and use them to guide us in selecting our investments. And we tell companies that these issues matter to their owners.

Second, and of equal importance, let's remember that the people who speak to us through opinion polls—the people being energized by messages of real change—aren't just voters and citizens; many are investors as well. As they respond to political messages about a broken system and the effect of corporate activities on that system, they'll come to understand that their investments can have a real impact. When investors send companies a "business as usual" message—which is what they do when they invest in the conventional way—what they get is business as usual, and our society and planet just can't afford more of that. So they're starting to send companies a different message—a message about fairness, sustainability and change. They invest for their own financial goals, while funding the world they want their children to inherit.

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