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# Business vs. Trump: How CEOs Can Make a Difference



By N. Craig Smith , INSEAD

**Business leaders have been scathing of Trump’s decision to pull out of the Paris accord, but can they keep the U.S. in step with the rest of the world?**

In an [article](#) earlier this year, I suggested business leaders had a responsibility to speak out against political decisions that threatened their organisation’s commitment to better environmental practices. When U.S. President Donald Trump announced his country’s withdrawal from the Paris climate agreement last week, scores of them did just that, directly and vociferously challenging the Trump administration’s policy decision. They let it be known that, regardless of the direction the U.S. took—details of which were glaringly absent from the announcement—they would continue to work towards reducing greenhouse gas emissions and creating a cleaner environment for the future. They clearly deserve an “A” grade in my book.

Goldman Sachs CEO [Lloyd Blankfein](#) was quick to note that, “Today’s decision is a setback for the environment and for the U.S.’s leadership position in the world.” Facebook founder [Mark Zuckerberg](#) insisted that, “Withdrawing from the Paris climate agreement is bad for the environment,

bad for the economy, and it puts our children's future at risk." Ford Motor Company Chairman **Bill Ford** reassured stakeholders, "We believe climate change is real, and remain deeply committed to reducing greenhouse gas emissions in our vehicles and our facilities." GE CEO **Jeff Immelt** stated that, "Climate change is real. Industry must now lead and not depend on government." Twitter and Square CEO **Jack Dorsey** called the decision "an incredibly shortsighted move backwards". And Cargill CEO **David MacLennan** said, "If the U.S. exits international accords like the Paris agreement it will negatively impact trade, economic vitality, the state of our environment and relationships among the world community."

The list goes on, and is likely to grow over the coming weeks, as the vast majority of business leaders agree that Trump's decision to leave the Paris accord was... well, stupid.

### **A need for action**

There is potentially some nuance to Trump's position. However, if he agreed with the over-riding sentiments of the Paris accord, and his rejection of it was about getting the U.S. a fairer or better deal, he could, surely, have communicated his stance differently. But to date he has given no indication that he believes there is clear evidence of climate change caused by human activity, nor that a potentially dangerous situation is developing which requires us to make certain—though still today relatively modest—changes to our way of life.

The strident reaction to Trump's decision is partly grounded in business leaders' understanding of climate change; what's causing it, the potential consequences, the need for business to be part of the solution and the overall need for action. But the comments also reflect a business interest that's potentially at risk or threatened by the direction Trump appears to be taking the U.S. If the Trump administration promotes coal and other fossil fuels in direct opposition to the rest of the world, where does this leave U.S. industries in terms of how they deal with climate change? What does this mean for them in terms of support for renewable energy? And to what extent is innovation targeting climate change—reducing carbon emissions for example—going to be supported?

Many business leaders have indicated that, regardless of the president's stance, they will continue to work towards reducing emissions. More generally, emerging among business leaders is a grudging acceptance that

the Trump administration is not going away anytime soon, making it essential to look ahead and plan for the long term. That said, it seems inevitable that efforts in the U.S. to reduce and mitigate the effects of climate change are going to be somewhat diminished, at least in the near future.

### **The voice of business leaders**

It is also interesting to see who has responded to Trump's latest decision and how. When his administration issued a first ban on travellers from seven Muslim-majority countries, business leaders had multiple motivations to speak out. The same is true now. In many cases leaders voiced their opposition to be consistent with previously expressed company commitments. Others clearly have interests at stake that were challenged by the executive order. Some may have taken the opportunity to challenge the general direction in which Trump is headed. What is clear is that business leaders who have said that the environment is important and that climate change is real are now being held accountable to those statements.

Whether the outcry will bring about a turnaround in Trump's stand on the Paris Agreement remains to be seen, but opposition to Trump must have an effect at some point. Although Trump has shown time and again his disregard for informed opinion and advice, it is hoped that a wave of opposition by leaders across diverse sectors will go some way towards moderating his actions, if not on this issue, then more generally.

However there are four ways business leaders' comments can make a difference now.

1. Their input will help educate White House advisors, who may be able to constrain, to some degree, further actions by the Trump administration. At present, the president is insufficiently informed as a result of his own unfamiliarity with relevant issues and poor advice from his team. By speaking out, influential business leaders are making clear to those who have Trump's ear just where he's going wrong.
2. The business leaders who stand up and reaffirm commitment to their values will strengthen their authenticity—and that of the claims made on behalf of their respective organisations.

3. Businesses that take a stand will reassure stakeholders that, regardless of the government's position, they are going to continue to work to address the impact of climate change.

4. It will remind everybody that economic interests are also at stake and that it's important for a country like the U.S., whose success was built on innovation and technology, to stay in the game.

As Box CEO [Aaron Levie](#) tweeted, "Trump believes everything is a negotiation. But America's reputation and trust around the world can't be negotiated, it's earned. Or lost."

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