

## "A Just World?"

May 2021



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This blog by Karen Shackleton is part of a weekly series from the Pensions for Purpose team. This week, she reflects on justice and the role that pension funds can play.

This weekend, my local church focused on Justice. Helen Scamman, the Associate Vicar, made some powerful and thought-provoking comments about our personal responsibilities in a just world (you can watch her sermon [here](#) if of interest). As I reflected on this, I realised that I have always been passionate about justice, and this passion was at the heart of my desire to set up Pensions for Purpose. I wanted pension funds to begin thinking about the way they invested so that they focused not just on financial returns but also focused on purpose. I most definitely wanted them to invest in a just world. After all, by their very nature, pension funds exist to provide a just (fair) pension for members.



So, what does investment in a just world imply? Helen quoted Desmond Tutu, who said "There comes a point when we need to stop just pulling people out of the river. We need to go upstream to find out why". I have been a long-standing supporter of Big Issue's motto of offering a "hand up not a handout". Philanthropic money has its valuable place and in disasters it is absolutely part of the solution. But pension fund capital also has a role to play. By investing in opportunities that can deliver market-rate, risk-adjusted returns, but which also intentionally focus on delivering a positive social impact, we can absolutely go upstream and tackle the root cause of injustice in today's society. That might mean investing in housing for vulnerable women ... or investing in infrastructure projects in the African continent ... or investing in faster broadband for rural communities. There are so many different ways to invest in a just world.

Helen pondered why we don't do more to tackle injustice. She felt there were three key reasons and I've adapted these for the perspective of a pension fund:

1. We don't see it as our role to tackle injustice – the pension fund has a fiduciary duty to deliver risk-adjusted financial returns to its members and that alone; or
2. We don't see injustice in our organisation/pension fund/local area (especially relevant in a virtual world); or
3. We are overwhelmed by injustice (there are so many social issues, how on earth can a pension fund tackle all of these?)

My response to these obstacles would be:

1. There are now investment opportunities that deliver both financial rewards and impact returns.
2. We may not see injustice on our doorstep but turn on the news and there is clearly a need to think about it. Racial and gender issues, the health and wellbeing of poorer countries impacted by COVID, and infrastructure damaged by war have all made the headlines in recent weeks.
3. Yes, injustice can seem overwhelming, but Pensions for Purpose runs workshops for pension funds who want to try and introduce a set of impact priorities... we can help you!

Helen's advice to us all (which again, I have tweaked for pension funds) was to Ask, Consider and Take Action:

- **Ask questions.** Find out what is going on, speak to your investment managers about what funds they offer which deliver dual goals (financial and impact) ... most of them are developing impact funds now. Research some of the social issues facing your local area.
- **Consider.** Think about which social issues are likely to be most important or relevant to your members and then ask whether or not this social issue can be addressed by investing private capital. Take a Pensions for Purpose workshop to articulate a set of investment beliefs that are consistent with your fiduciary responsibilities.
- **Take Action.** This might mean appointing an impact manager or thinking about whether there is more you could do in your stewardship of existing assets to move towards a more just world. Or it could simply mean organising training for your staff, for example, unconscious bias training.

By taking small steps collectively, we can begin to change the world and tackle injustice together. So let's start today...

Karen Shackleton

17<sup>th</sup> May 2021