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When profits Trump principles

The era of the 'do-good' American CEOs is over. The EU must brace itself for US-style corporate conservatism arriving on its shores

On New Year, Meta founder Mark Zuckerberg re-invented himself. He suddenly scrapped fact-checking his platform.

His ridiculous excuse was: the return of Trump to the White House is a 'culture tipping point'.

But catching on to the latest wave, Starbucks quickly followed Meta's suit. It declared that its famous (DEI) policies have ended. BlackRock, the world's richest hedge fund, has quit the global Climate Finance Partnership too. Up north of Washington, Big Banks in 'liberal' Canada have caught on too. The $60 billion-worth Scotia Bank swiftly quit the climate pact as well.

The era of the 'do-good' American CEOs is over as Trump solidifies his hold on power in the world's richest economy.

There is no prize for guessing why America's corporate CEOs somersaulted from their previous dubious commitments to Economic Social and Governance (ESG) and DEI pledges.

America has abdicated its traditional mantle as leader of the 'free world'.

It was all a façade, 'do good' box-ticking exercises. Privately, ESG and DEI pledges, were a burden to maximum profit extraction.

Wall Street has noticed that America has entered the 'end of morals' age – modeled on Trump's swansong 'drill-baby-drill' nod to Big Oil and Big Gas.

CEOs have seen the world's most powerful nation elect a 34-times convicted felon, an impeached fellow but donated millions to his campaign, and inauguration anyway. CEOs have noticed that American voters, seemingly disillusioned with democracy, no longer care about

'morals' and 'ethics'.

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Hence, as a replacement, advocates of the liberal international order are holding up the EU as the glue that ensures democracy does not die in darkness. This has occurred before in 2017 when Angela Merkel was held up as a commander of the 'free world'.

Sweeping over

The EU hypes itself as the last bastion of the 'liberal international order', though the bloc is guilty of double standards. For example, there are credible reports from Global Witness alleging that coltan rock sourced from conflict in east Congo is likely finding its way into EU markets. Despite the EU's tight ESG and DEI laws, the bloc must also brace for this trend of US-style corporate conservatism arriving on its shores - though the impact might be less.

US CEOs in Trump's orbit are already poking the European Commission in its eyes, daring its will. Elon Musk, the Tesla CEO, has blasted the EU Commission as 'undemocratic' over its demands that his X platform hands over its algorithms data. The commission is probing X's unethical interference in EU domestic politics.

EU progressivism could soon unravel with reports emerging that the heads of Spanish, German, Italian and French central banks have written to the European Commission asking for less regulation, US-style.

The EU's bankers are taking cues from their tech bros. At Davos,Erricson CEO, Borje Ekholm, the Swedish tech executive moaned that: the EU Commission is hindering the bloc's tech advancement. He called for 'less regulation'. Zurich Insurance CEO, Mario Greco, railed that Europe is lagging behind the US because, with more ethical regulation, the EU is 'busy with itself' self-destructing. Vas Narasimhan, CEO of Swiss pharmaceutical firm Novartis, complained of an EU that's sitting on its hands whilst the US is 'heavily deregulating'. Morten Wierod, chief of Swiss robotics firm ABB was more brutal: excessive regulation is causing the 'deindustrialization of Europe', he claimed.

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European CEOs could soon have ally ship in high offices across the bloc as right -wing populists strengthen from Robert Fico in Slovakia, to Nigel Farage in the UK, to the

are falling short of net-zero commitments, prioritising sustainable finance targets over decarbonisation goals.

Freedom Party in Austria, to Giorgia Meloni in Italy, and Marine Le Pen in France. A significant section of voters in the EU too are furious about the status quo. They are easily embracing illiberal messaging.

EU CEOs are noticing the political winds. Consequently, a recent survey from Share Action has revealed that Europe's 20 largest banks are falling short of net-zero commitments, prioritising sustainable finance targets over decarbonisation goals.

It's evident that Europe's CEOs feel loosened up a bit by what's happening in the corporate US. It appears set in stone that this anti-DEI, less climate progress trend could soon flood corporate EU too.

Can all progress crumble?

Can Trump and his allies dismantle all climate and DEI progress of the past four years? It's unlikely especially on the renewable energy front. Trump, despite his fiery bluster, is known for bluffing too. Take his Day One threats to impose crushing tariffs on all foreign countries. He tried escalating tariffs on the likes of Mexico and Canada before quickly unrolling them. One thing is clear: Trump's bark is more menacing than his actual bite.

This is where climate progress can draw its biggest hope. For instance, despite Trump's 'drill-baby-drill' chant for Big Oil, the price of oil has remained largely flat, even declining. Though Trump has specifically targeted wind, too much investment into solar has happened that even the businessmen in Trump's ear won't overcommit US-focused capital expenditure in fossil fuels especially now with a global glut in oil production. $300 billion was invested in Biden's Inflation Reduction Act, of which clean energy is a key part. 300 000 clean energy jobs have been created. Even Trump's tycoon advisors would balk at killing such a lucrative sector of the economy. That's why analysts at Citi are bullish that, despite Trump's rhetoric, 'for advocates of clean energy transition, the power of economics will prevail.'

Though DEI government programs face a more dire fate than renewable energy, outcries have begun to emerge within Trump's own circle. For instance, influential GOP operatives, and thousands of low-income Americans who voted Trump are now publicly opposed to his proposed cuts to MediAid, the vital public medical insurance that millions of low-income Americans go by. Even the MAGA right wing agitator, Steve

Bannon, declared Trump is ‘playing’ with fire if he toys with MediAid benefits cuts.

All is not gloomy in the US as hard reality softens some of Trump’s worst excesses on DEI and climate progress. Europe should take solace too that perhaps the worst won’t arrive on her shores.



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