Profit or Planet?

How Capital Tests the Limits of Collective Values (and of Next Generations' Capacity to Cope)

"Before the Fall's" photo@JL Lambeau)

A recent decision by Norway's Government Pension Fund Global (GPFG) to suspend its ethical exclusion rules , widely discussed in the press and LinkedIn posts this month , is what prompts this reflection.

Earlier this month, Norway's Government Pension Fund Global (GPFG), the world's largest sovereign wealth fund, announced a suspension of its ethical exclusion rules. The move, presented as an operational pause designed to avoid forced divestment from major technology firms, has been widely commented across opinion pages and LinkedIn posts. Technicalities may appear modest. Significance is not.

For two decades the GPFG has held a status unmatched in modern finance: **a $1.8 trillion colossus built on hydrocarbons, yet governed by ethical guidelines** that sought to restrain some of the more corrosive tendencies of global capital. Quite the paradox. Born of North Sea oil revenues, the fund was meant to civilise the profits of extraction by converting them into a durable public good. Its credibility rested not only on transparency and enviable returns, but on rules that prevented investments in companies associated with human-rights abuses, corruption, environmental damage or other egregious misconduct.

Suspending those rules marks a notable reversal. Norway insists the change is technical, temporary and prudent. Yet the episode sits at the crossroads of a broader shift. In an age of geopolitical volatility, double standards, and financial hyper-concentration, **the boundaries of what counts as acceptable economic governance are moving**. What would once have been unthinkable - rolling back ethical stewardship in the world's most admired sovereign fund - now arrives with strikingly little political fuss.

This shift echoes a pattern described by Naomi Klein in The Shock Doctrine: moments of **uncertainty become fertile ground for exceptional measures and capital predation**, later normalised by precedent. In finance as in politics, the Overton Window does not widen only through debate; it often slides quietly through administrative adjustments. Norway's decision, while hardly a collapse of ethics, signals that restraint is now negotiable.

The contradiction runs deeper than a simple regulatory change. **Pension funds are designed for a purpose: to protect people across time.** They are institutions of intergenerational trust, in which one generation sets aside resources so another can live in dignity. Their legitimacy rests on resisting precisely the sort of short-term pressures that markets generate. Ethical rules were risk-management devices, insulating long-term savings from companies whose social and environmental practices might impose costs on the very citizens the fund exists to serve.

Relaxing these rules therefore increases exposure to familiar hazards: supply-chain abuses, digital surveillance, extractive industries and environmental degradation. These risks do not vanish; they shift downward. Workers, local communities and future pensioners absorb what the fund chooses not to value. **The paradox is blunt: a pension system designed to protect future generations weakens the safeguards intended to shield them.**

The timing is equally awkward. Planetary boundaries, the ecological limits within which human societies can operate, are contracting. Climate risks, once theoretical, now shape everything from food prices to insurance markets. To ease ethical constraints precisely when environmental threats exacerbate is to misread the moment. Capital, left to itself, bends rules because it can. Nature offers no such flexibility.

Norway is hardly alone. **Ethical backtracking is becoming a trend.** Private-equity giants lobby against due-diligence regimes; asset managers quietly recast ESG as optional branding; governments under fiscal strain revisit social protections once considered minimal. The GPFG's shift is not the first step on this path: it is simply visible, and consequential.

The broader risk is one of societal regression: ethical standards erode in increments. Once softened, they seldom return to their original strength. Over time, the exceptional becomes routine, and the routine, a blind spot. This is how financial norms drift: not by open argument but by gradual anaesthesia.

Yet, it is still possible in these times of uncertainty **to focus on what truly matters**. No need for complicated algorithms to see that weakening the world's most influential ethical investment framework sends the wrong signal at the wrong time. It signals markets and societies that responsibility is elastic and that public wealth can be governed by markets' convenience.

A more measured course remains, however, within reach. Regulators can reassert minimum ethical rules. Pension-fund boards can embed long-term environmental and social risk into their fiduciary duties. **Organised civil society, journalists and scientists, custodians of public scrutiny,** can claim transparency and expose the costs of deregulation. And institutional investors, who collectively shape global economies, can remember that in an age defined by climate instability, ethics are a hedge

Pension funds are bridges across generations. Their design presumes that one cohort will act with restraint on behalf of the next. When their ethical foundations weaken, the consequences are necessarily forward-loaded. Norway's decision therefore reveals more than a tactical adjustment: it exposes a dilemma that future generations will inherit in full. **Profit or Planet? Greed or Need?** The answer will determine whether pension systems remain a social contract across generations, or collapse yet again into another trap for corralling short-term gains to the few. ***In today's world, can collective wealth still serve a collective purpose*? Let's make sure that it does.**

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