University Resources Committee

2015-2016
URC composition

- **Representing students**: Susan Wang, Daniel Teehan, David Schwartz
- **Representing faculty**: Lynn Loo, Christopher Achen
- **Representing staff**: Leila Shahbender
- **Sitting with the committee**:
  - **VP for Finance and Treasurer**: Carolyn Ainslie
  - **Princo**: Susan Ciniglio
- **Chair**: Marc Fleurbaey; **staff**: Margaret Fox-Tully
Preliminaries

• The Committee’s report is a step in an ongoing conversation on campus.

• Commitment to freedom of expression, respectful, thoughtful and reasoned debate

• The University’s core mission is to transmit and expand knowledge through scholarship, research and teaching.

• The purpose of the endowment is to support that core mission through the investment of the University’s financial resources to produce high, reliable, long term returns.
Preliminaries

• Guidelines for divestment (1997):
  – “the purpose of selective divestiture is to separate the University from companies whose conduct contravenes the values of the University; the purpose is not to make political statements, to censure governments, or to pressure either companies or governments to adopt particular policies” (1987)
  – “Considerable, thoughtful, and sustained interest on campus”
  – “Direct and serious contradiction with a central University value”
  – “Consensus on how the University should respond to the situation” (consider the magnitude, scope, and representativeness of the expressions of campus opinion)
  – Divestment implies dissociation
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Sustained interest

• Rationale: make sure this is important for our community
• Not a rigid criterion, urgency may trump it (Darfur)
Central values

• No fixed list can be defined because although basic values are stable, their expression in concrete facts varies

• Core:
  – Human rights (Apartheid, Darfur)
  – Sustainability (environmental protection)
  – Truth
Consensus

• Consensus not just on problem but also on action: complete disassociation from companies
• Referendum is neither necessary nor sufficient
• We encourage other actions: petitions, forums, lectures...
How values inform investment

• The divestment route
• The ESG routine: Cf 2015 memo by Princo President: “Princo is focused on the long term and its managers assess risks and opportunities that exist currently and those that might face companies far into the future. These factors include potential regulatory changes, technical evolutions, alterations to the surrounding economic environment, and reputational risks. Applying an ethical perspective provides a useful guide to analyze these kinds of issues: we believe that in many, if not most cases, where a need or injustice exists, decent social, economic, and political systems will adjust to address it.”
  – Sustainable forestry
  – Cyberbullying
  – Energy companies
This year: 3 issues

• Authors of petition against divesting from companies benefiting from Israel occupation
• SPEAR (Students for Prison Education and Reform): proposal to divest from companies running correction centers and operating services in these centers
• PSII (Princeton Sustainable Investment Initiative): proposal to divest from coal and to make a plan to progressively divest from fossil fuels
SPEAR proposal

- One meeting with the proposers (March)
- Committee meeting to discuss how other schools have dealt with the issue – Columbia
- A USG referendum took place in April (1457 yes, 182 no, just below participation threshold)
- We will meet the proposers again next week
- Issues to be discussed:
  - The companies explicitly endorse human rights, have ethical guidelines
  - Is there anything deeply wrong about profiting from incarceration (as opposed to sickness or death)
  - Are service providers exploiting their “customers”?
PSII proposal

• A full examination of this will require in-depth examination and discussions:
• Fossil fuels are an important issue for the University
• We have to make sure we are consistent in our efforts toward sustainability
• Two key questions:
  – Is the divest-disassociate route sensible? (Pdt Eisgruber letter 2015)
  – Is the ESG routine enough?
Conclusion

• The future committee will certainly welcome continued conversation
• Our website contains a lot of information about the Committee’s activities since the beginning of its existence
• Check U. Pdt C. Eisgruber’s letter and Princo Pdt A. Golden’s memo which provide valuable information about current standards

http://www.princeton.edu/vpsec/cpuc/committees/rc/