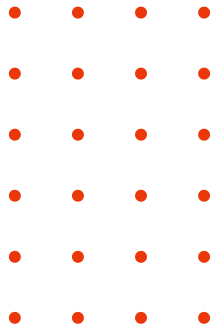


Public Policy and Private-Sector Prosocial Motives: The Case of Greenhouse Gas Emissions



This paper shows that the effectiveness of public policies depends on their interactions with existing private-sector prosocial motives. Examining the adoption of greenhouse gas emissions reduction targets by some U.S. states, I find that firms in these states face decreased shareholder pressure post-adoption, evidenced by fewer emission-related shareholder proposals and lower voting support rates. Accounting for emission scale variability across facilities, these state-level targets appear ineffective in reducing corporate emissions. Overall, the findings suggest that public interventions can, in certain circumstances, crowd out private-sector prosocial efforts and thereby undermine their intended policy effects.



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Jiaqi Zheng is a PhD candidate in Finance at the University of Oxford. His research focuses on how corporate governance shapes firm behaviour. In his job market paper, he examines the interaction between public policy and private-sector prosocial behaviours in the context of greenhouse gas emissions. Jiaqi's other research explores the role of CEO power during uncertain times and how the corporate calendar explains the correlation between share repurchases and CEO equity-based compensation.