

Financial markets and sustainable development

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8th ESDN Workshop, “Financial Markets, Institutions and Policies in the Context
of Sustainable Development”, Brussels, 22-23 November 2012

Sustainable Development



Intergenerational Equity

Environmental Policy Integration

Climate Protection

Good Governance

Ressource Efficiency

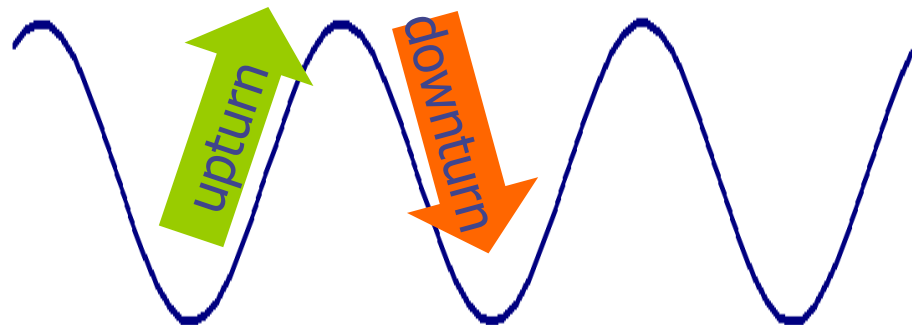
Ecological Footprint

Green Jobs

Eco-Innovation

Millennium Development Goals

The economic cycle



In times of economic downturn ...



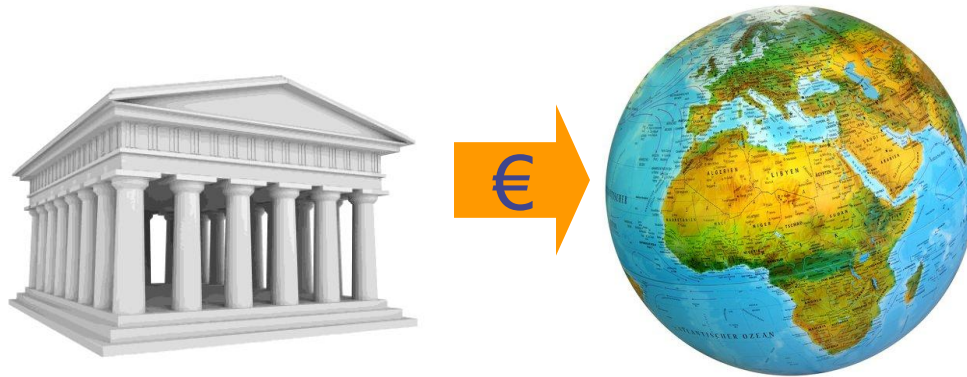
neo-liberal policy
trusts in the
self stabilisation
of the economy

In times of economic downturn ...

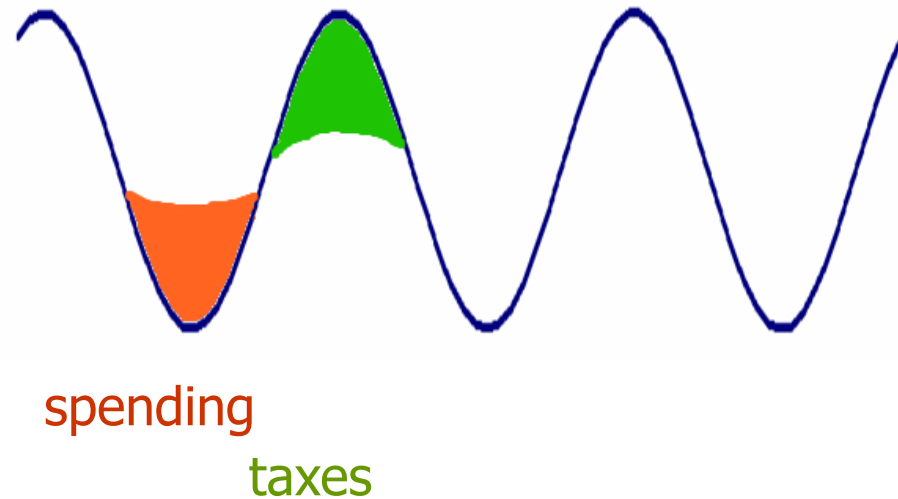


but at what
societal costs?

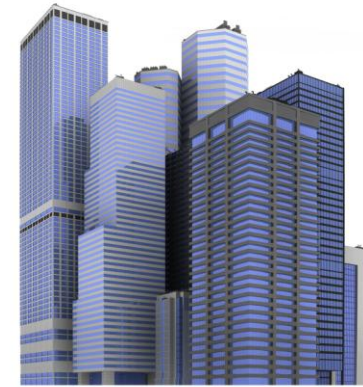
Anti-cyclical economic policy



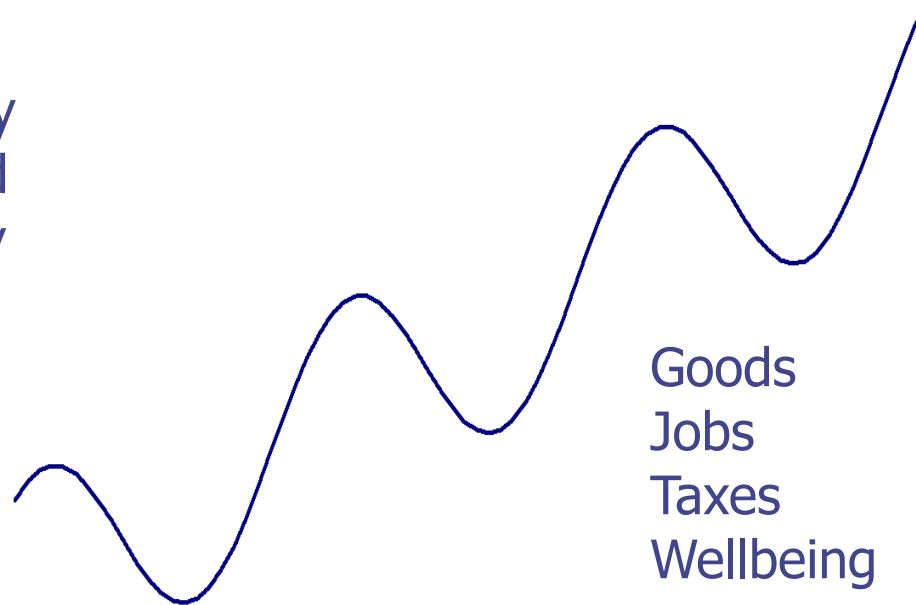
keynesian policy
tries to steer the
economic cycle



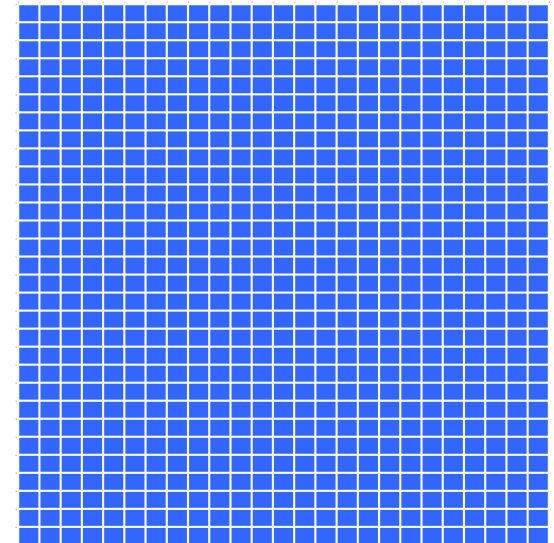
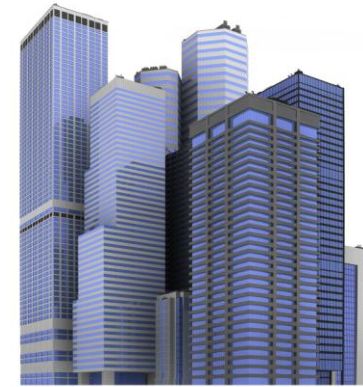
Economic policies and actors ...



legitimized by
elections and
transparency



... of different size and power

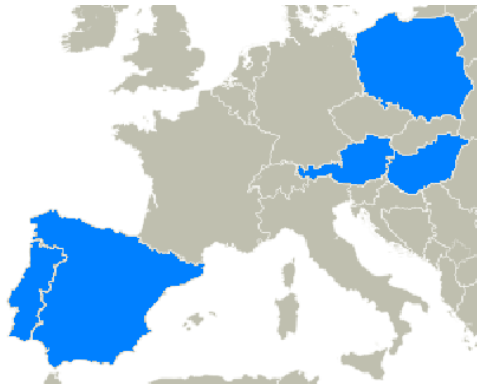
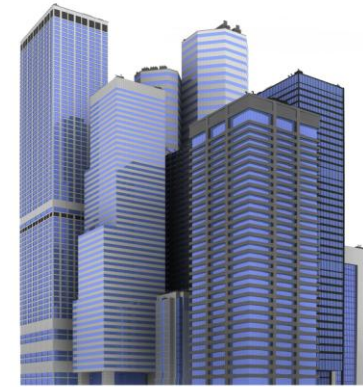


stimulus packages
2 Trillion US\$

World-GDP
50 Trillion US\$

global fin. markets
800 Trillion US\$

Banks and states

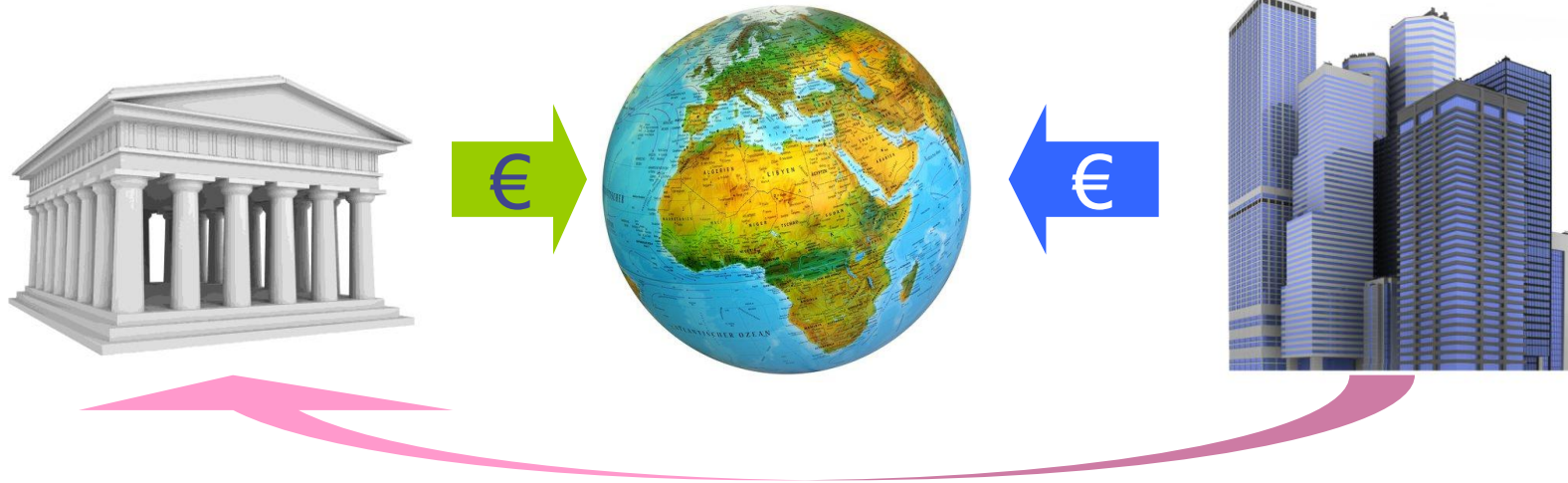


Deutsche Bank

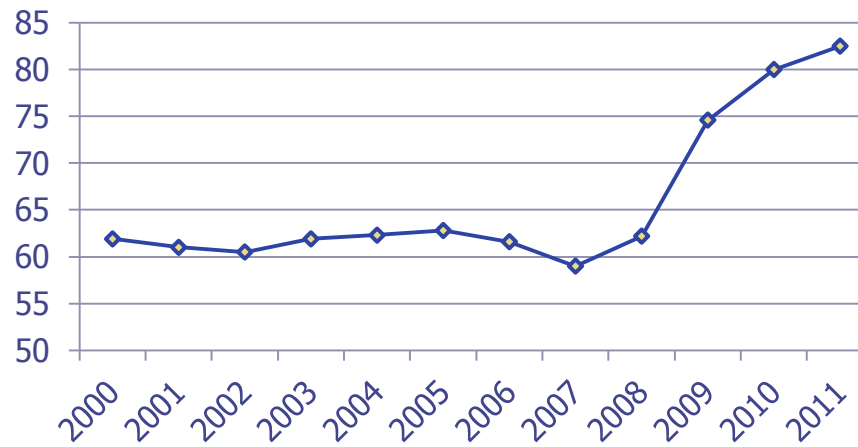
Equal the sum of the national GDPs of Spain, Portugal, Poland, Austria & Hungary together 115 million people

assets for more than \$2,844 billion (Forbes, 2012)

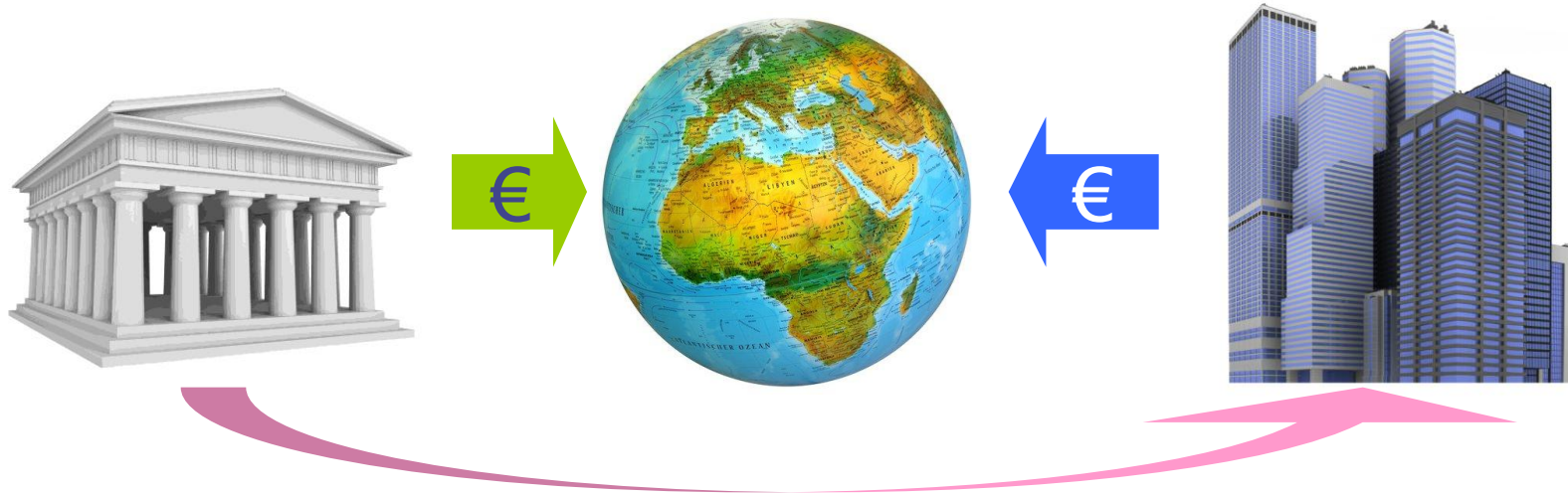
Effects of the financial crisis



**General government gross debt
(% of GDP, EU-27)**



Attempts to regulate the finance sector



Transaction tax / Tobin Tax

Disclosure and transparency regulations

Regulate speculation (e.g. reduce high speed trading)

Fight tax havens and tax illegal earnings

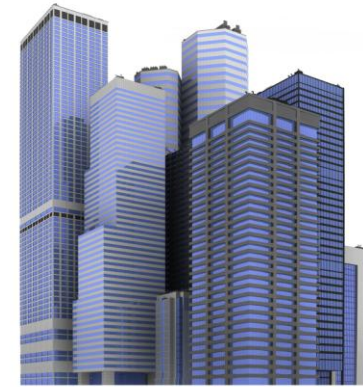
Regulatory capital requirements (e.g. Basel-III)

Separate commercial banks from investment banks

Insolvency regulations (no „too big to fail“)

Bonuses regulation

Socially Responsible Investment



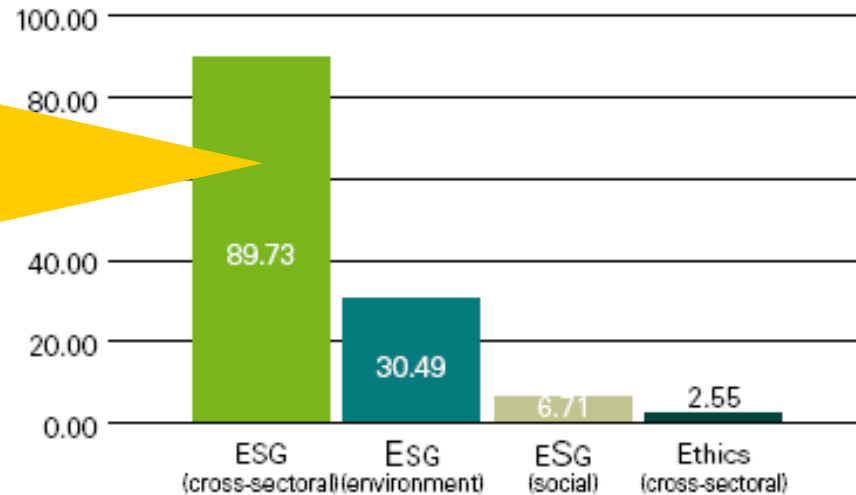
*1,236 RI investment funds
→ 2.3% of total number of funds*

*EUR 129.49 billion
→ 1.6% of total assets under
management*

Socially Responsible Investment

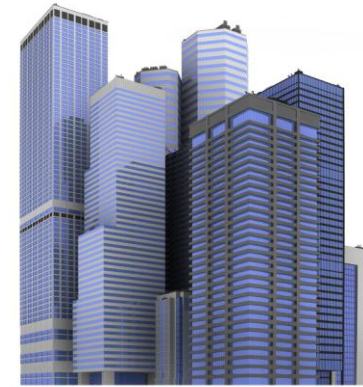


RI in AuMs
Total = EUR 129.5 billion



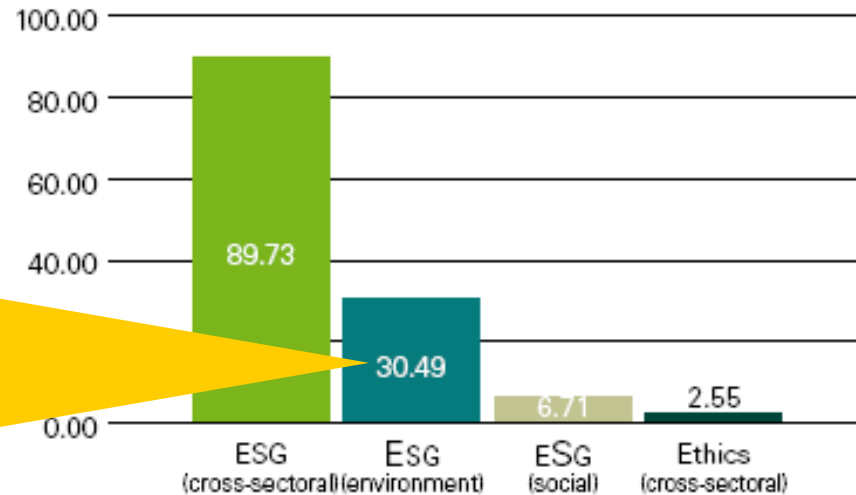
e.g. renewable energy,
clean tech., water

Socially Responsible Investment



RI in AuMs

Total = EUR 129.5 billion



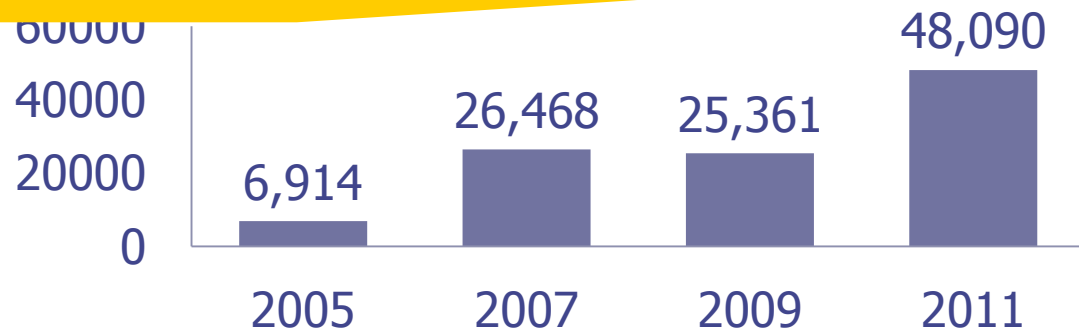
e.g. micro-finance

Socially Responsible Investment



Growth of Sustainability Themed Investments in Europe (€ mill)

On the rise again



Main differences between SD and the financial markets



Sustainable development		Financial markets
Integrative and multi-dimensional goals	vs	One-dimensional logic (maximization of financial profits)
long-term or inter-generational time perspectives	vs	short-term financial returns
risk-averse, applying the precautionary principle	vs	risk-afine; higher risks leads to higher profits
Equal opportunities, access and intra-generational equity	vs	Little to no consideration of social effects
Inclusion and participation	vs	Highly complex; not inclusive, nor open to participation
Governance for SD	vs	Efficiency oriented; shortage of transparency and accountability

Objectives of this workshop



- scope the mechanisms and operational design of financial markets
- explore the functional and dysfunctional aspects from an SD perspective
- develop concrete fields of action for SD policy related to financing, financial markets and finance governance
- provide an orientation for SD policy-makers in the debate around the financial markets and future policy options

Thanks for your attention!

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