

SYLLABUS

Name of the course:	Finance and the ecological transition			
Teacher:	Hélène Tordjman Mustafa Erdem Sakinç			
University / organisation:	Université Sorbonne Paris Nord			
Language of teaching:	English			
ECTS:	4 ECTS			
Semester (S1, S2, S3 or S4):	<input type="checkbox"/> S1	<input type="checkbox"/> S2	<input checked="" type="checkbox"/> S3	<input type="checkbox"/> S4
Teaching method(s):	<input checked="" type="checkbox"/> Lecture courses		<input type="checkbox"/> Flipped classroom	
	Other: _____			
Type(s) of evaluation:	<input type="checkbox"/> Sitting exam		<input checked="" type="checkbox"/> Written report	
	<input type="checkbox"/> Oral defence		<input type="checkbox"/> Group project	
	Other / comments: _____			
Expected deadline(s) for the evaluation(s):	Term paper, due for the end of January 2022			
Expected date of final results:	End of March 2022			
Summary of the content:	<p><u>Part 1 - Hélène Tordjman</u></p> <p>What is actually going on under the name of “green finance”? What is the perimeter of this emerging field? Its size? Actors involved? Who has the power to define norms and orient regulation?</p> <p>In fact, there are two different processes. The first one is green finance itself, <i>i.e.</i> ways to channel investment towards “green” activities and to manage new risks. The second is one of financialisation of nature, or at least of the manner we are looking at it: “natural capital”, “portfolios of ecosystem services”, “biodiversity banks”... Many institutional devices are now constructed to value nature and valorize its “capital”. This is to incentivize virtuous behaviours from firms, States and citizens and is the new paradigm in environmentalism and conservation. In case both processes join, we will face a true financialisation of nature. This would not be a good new for the real, sincere and radical transition which is urgently needed.</p> <p><u>Part 2 - Erdem Sakinç</u></p>			

SYLLABUS

	<p>In this part of the course, we will focus on Green New Deal (GND) or Green Deal as the shared appellation of emerging economic and social policy proposals from all over the world to address mounting issues of human-made global warming, climate change and environmental degradation. In doing so, we will focus on the major actors of a ‘deal’ who will succeed (or not) in realizing the economic, social and environmental objectives, namely the government, industry, finance and household. Accordingly, the main research question of our course is: Do these actors have the willingness and capability to enable a GND with the aim to establish an environmentally and socially sustainable economy?</p> <p>The sessions will be organized as follow:</p> <ol style="list-style-type: none"> 1- Introduction: Why is all the noise about GND? Indicators, Concepts, Proposals 2- Understanding change: Innovation, Creative Destruction, Transition 3- Financialization of the corporation: Value creation vs. value extraction under the conditions of shareholder value, globalization and monopolization 4- Discussion: What is to be done for a just, transformative and well-funded Green New Deal in view of the tension between innovation and financialization?
<p>Indicative list of lectures and short bibliography:</p>	<p style="text-align: center;"><u>Part 1</u></p> <p><u>I Green finance</u></p> <p>Two main functions: fueling capital in green projects and industries, and managing natural risks.</p> <p>1/ Green assets</p> <p>Climate Bonds Initiative, (2018), “Green bonds market highlights”, www.climatebonds.net</p> <p>2/ What is “green”? ESG benchmarking</p> <p>RobecoSAM, (2018), “Measuring Intangibles. RobecoSAM’s corporate sustainability assessment methodology”, www.robecosam.com</p> <p>3/ Risk management</p> <p>Weather derivatives and catastrophe bonds</p> <p>Some technical examples, e.g. pandemic bonds</p> <p>4/ In contemporary capitalism, can finance be green?</p> <p>André Orléan, (2011), <i>The empire of value</i>, chapter 7, “Liquidity and speculation”</p> <p>World Economic Forum, (2018), “Harvesting the Fourth Industrial Revolution for life on land”, www.weforum.org</p> <p><u>II Financialisation of spirits and/or of nature?</u></p>

SYLLABUS

New categories to envision and qualify nature, and new Institutional devices to valorize it.

1/ The Convention for biological diversity and “market based instruments”

Michael E. Soulé, (1985), « What is conservation biology? », *BioScience*, vol. 35, n°11, pp. 727-34.

Peter Kareiva et Michelle Marvier, (2012), « What is conservation science? », *BioScience*, vol. 62, n°11, pp. 962-69.

Erik Gomez-Baggethun *et al.*, (2009), “The history of ecosystem services in economic theory and in practice: from early notions to market and payments schemes”, *Ecological Economics*, 10 p.

2/ A new class of *fictitious commodities*

Rudolph de Groot *et al.*, (2012), « Global estimates of the value of ecosystems and their services in monetary units”, *Ecosystem Services*, 1, pp. 50-61.

Hélène Tordjman, (2018), « Dématérialiser la nature pour la faire entrer dans la sphère du marché”, *CEPN Working Paper*, DT2018-12, 24 p.

Part 2

1/ Introduction: Why is all the noise about GND? Indicators, Concepts, Proposals

No readings.

2/ Understanding change: Innovation, Creative Destruction, Transition

Schumpeter, J. (1943), *Capitalism Socialism and Democracy*. Chapters V-VII

Fagerberg, J. (2013), *Innovation- a New Guide*, TIK Working Papers on Innovation Studies, 20131119

Fagerberg, J. (2018), *The role of innovation (and innovation policy) in supporting structural change and sustainability transitions*, TIK Working Papers on Innovation Studies, 20180216

3/ Financialization of the corporation: Value creation vs. value extraction under the conditions of shareholder value, globalization and monopolization

Lazonick, W. (2016), Innovative Enterprise or Sweatshop Economics?: In Search of Foundations of Economic Analysis. *Challenge*, 59(2)

Lazonick, W. (2012), *Financialization of the U.S. corporation- what has been lost and how it can be regained*. MPRA Working Paper, 42307

Durand, C., & Gueuder, M. (2018) The Profit-Investment Nexus in an Era of Financialisation, Globalisation and Monopolisation: A Profit-Centred Perspective. *Review of Political Economy*, 30(2)

SYLLABUS

4/ Discussion: What is to be done for a just, transformative and well-funded Green New Deal in view of the tension between innovation and financialization?

Pollin, R. (2018), DeGrowth vs a Green New Deal, *New Left Review*, 112

Duménil, G. & Lévy, D. (2004), *Capital Resurgent*. Chapters 18 & 19 (on New Deal)

Mazzucato, M. & Semieniuk, G. (2017) Public financing of innovation- new questions. *Oxford Review of Economic Policy*, 33(1)

Laurent, E. (2020) *The European Green Deal, Bring back the new*. OFCE Policy Brief, 63

Storm, S. (2020) *The EU's Green Deal- Bismarck's 'what is possible' versus Thunberg's 'what is imperative*. INET Working Paper 117