

How to drive sustainable change in the world

Key summary of current political background in the world from a sustainable finance angle

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AGENDA

How can we drive the sustainable transition of economies in the world considering sustainable finance issues?

- Solving transition challenges means to overcome silos and understand complexity
 - The solution requires global, holistic system change of non-power structures across political, financial, economic and social systems
 - Sustainable profits may not be shared unequally or unjust to nations otherwise it would create competitive blockages to a sustainable world.
- This demands a complete sustainabilism priority before other considerations.



Background – Progress is slow

A study by Allen & Overy and Climate Policy Initiative estimates that USD6.2 trillion of climate finance is required annually between now and 2030, and USD7.3tn by 2050, to deliver Net Zero – a total of almost USD200tn.

But tracked global climate finance is only expected to pass USD1tn for the first time in 2022.



Background – System failure

The system is failing to change at the speed needed to become sustainable and avoid climate change and nature/biodiversity loss.



State of play – Unsustainability

“There is no sustainable business in an unsustainable world,” says NGO r3.0.

→ This is due to our entire systems depending fundamentally on fossil fuel and neglecting true sustainable boundaries.



End goal – True sustainability and sustainable world visions

- We need concrete and global sustainable system visions/master plans to achieve within the upcoming years, which define a new balance between people, nature and prosperity.
- These master plans aim at true sustainability where companies will need to perform in the context of the limits and demands placed on environmental or social resources at the sector, local, regional, or global level.



How to create sustainable change



Issues – Power struggle

- Opposing and vested interests including lobbyism at industry, national and international level hinder progress to sustainable change in order to maintain or increase power of these.
- The focus is on profit -making rather than achieving true sustainability.
- The solution lies in complete non-power, non-competitive structures at global levels which serve purely the ultimate goal of achieving true sustainability.



Issue – Short-term focus on profit

- Many companies want to keep profiting in the short term to win.
- Long-term sustainable values are being neglected.



ISSUE – Silos between business, finance, governance, law

- We work in silos in business, finance and governance, which hinder us to see and understand the complexity and entirety of how to create sustainability.
- Finding a solution to sustainability means to break through silos to understand the whole picture of sustainability problems.



ISSUE – Lack of understanding complexity

“In other words, our failure to comprehend complexity itself, in an increasingly complex, interconnected world that seems to be spiralling out of control, may well turn out to have life or death consequences for many of us, and even civilisation itself as we’ve come to know it in the Modern Age,” economist and investor John Fullerton writes.

→ The focus on holistic thinking and solutions is key to true sustainability due to the underlying complexity.



Changing the game

- What if we change our economic, social, financial, political rational and if we subordinate growth to true and local, regional and global sustainability parameters in line with holistic frameworks?
 - Wouldn't it become much easier to plug the climate finance gap if we put sustainability first before profits? Shouldn't this allow us to overcome resistance against the sustainable transition?
- Non-power structures at global level allow to generate shared profits in line with available natural resources, such as carbon budgets.



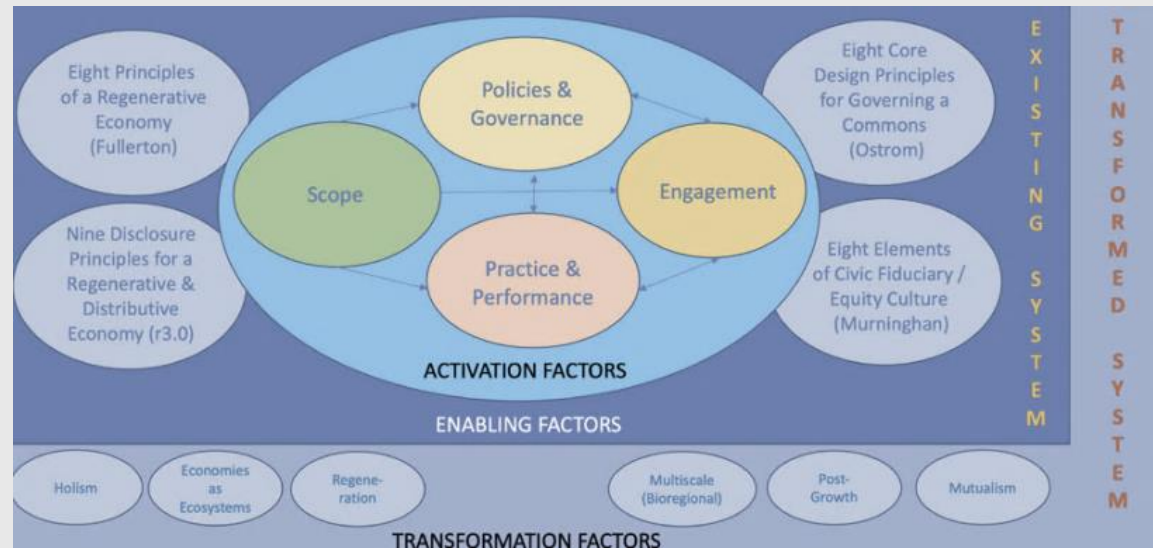
SUSTAINABLE CHANGE – Economic paradigm shift

Need for paradigm shift of companies away from maxime of ultimate growth to ultimate sustainabilism for society and the environment



ESG CHANGE – Creating sustainable change

Systemic financial system transformation away from exploitative economies to regenerative and distributive economies.

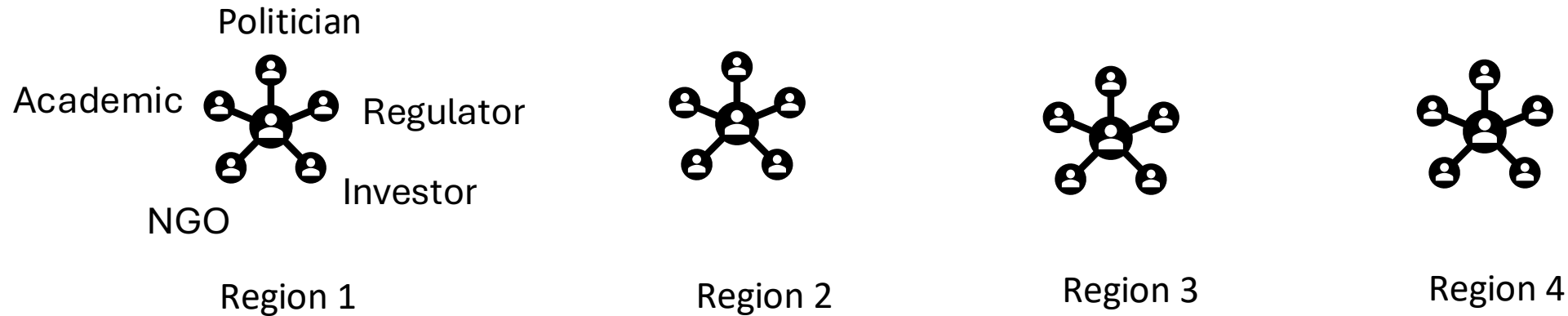


Source: Blueprint 6: Sustainable Finance, r3.0, 2020



SUSTAINABLE CHANGE – Holistic, global and complex

Global system change network projects



Change to sustainability is complex and is driven by global, holistic non-power structures and global system change network projects

- Not only because climate change and nature loss are global, but also because the transformation needs to happen at micro, meso and macro and global level.
- We need global system change network projects, which can implement micro, meso and macro level transformations and follow a global masterplan for change.



Conclusions

- Our financial, economic, political, social systems need to transform to sustainabilism as a tangible vision after capitalism and communism.
- Sustainable de-growth to avert climate change has been blocked by multiple system bound factors.
- Any pathway must be fundamentally based on measured and currently available natural resources and planetary boundaries. These boundaries are broken down holistically and globally from each nature boundary to political, legal, economic, financial and social systems.



Conclusions

- Unblocking this de-growth means to create a global and/or local visions of a future sustainable world. Creating this new world requires completely new thinking of national cooperation (e.g. through system change network projects) which goes beyond competitiveness, to the extent that countries can produce truly sustainable products.
- With the aim of halting climate catastrophes, competitiveness between countries must be completely subordinated to sustainable world visions.



Conclusions

- Sustainable profits may not be shared unequally or unjust worldwide otherwise it would create blockages to a sustainable world.
- Only truly global, sustainable and non-competitive collaborations can generate the necessary investments needed, as the world can then advance to the same common sustainable vision in a cost-effective and stable way.
- This allows to solve uncertainties regarding how the future world could develop.
- Through common and shared goals we can make sustainable change happen.

