

Program information

Title:

14200 - Degree in Business Administration and Management

24200 - Degree in Business Administration and Management

Academic course:

2023/24

Subject:

152328 - Sustainable Finance and Fintech

Course:

4

ECTS credits:

6.0

ESG -FINANCE & FINTECH

Justification

The general objective of this course is to provide students with up-to-date knowledge about how the Financial System can help in achieving the Sustainable Development Goals, allowing them to properly analyze its structures and products, and the impact they have in the wider society and our planet.

As the 2007-08 financial crash showed, the malfunctioning of the financial system may have protracted and deep consequences. Students will have a thorough understanding of ESG Finance (*Environmental, Social and Governance*) and how this market trend can alleviate our global problems and help us to deal with the upcoming crises.

Last 10 years, has witnessed a burgeoning global awareness regarding the imperative to address the environmental, social, and governance (ESG) challenges that our world confronts. Within this context, sustainable finance has emerged as a fundamental financial and ethical mandate. Furthermore, the development of Fintech, financial technology companies, has played a substantial role in expediting and facilitating the transition to a more sustainable financial ecosystem. This financial rationale will underscore why sustainable finance is paramount in the 21st century and elucidate how Fintech contributes to this paradigm shift.

In conclusion, nowadays, sustainable finance is indispensable, not only for the preservation of our planet and society but also for ensuring long-term stability and profitability within the financial realm. The development of Fintech has been instrumental in expediting the adoption of sustainable practices and rendering responsible investment more accessible and efficient. As ESG awareness continues to burgeon and regulations fortify, sustainable finance and Fintech will continue to occupy a pivotal position in shaping the future of the global financial landscape.

This subject is taught in English.

Pre-requirements

None.

Competences and skills

This subject deals with specific competence MC2 - "Financial resource managers", defined as follows: "Diagnosing, planning and monitoring the economic and financial situation of business projects and optimizing investment and finance related decisions".

Within this competence, the specific skill is defined as: Understanding the ESG context in financial asset management.

It will also work on generic competences MC12.4 - "Systemic Thinking" and MC12.5 - "Practical Thinking". The former allows to organize and integrate interconnected components into a whole; the latter allows to select the best course of action given the available information and the existing constraints, delivering the objectives efficiently and effectively.

Contents

1. Socially Responsible Investing and sustainable finance
 - International reports and organizations
 - CSR practices
 - SRI strategies
 - Information sources
2. Ethical perspective in finances: conceptual approach
 - History and characteristics of Ethical Finances
 - The institutionalization of Ethical Finances
 - Ethical Finances and Sustainable Finances: the European debate
3. The role of the circular economy

- Environmental impact of organizations
- Industrial Ecology and circular economy
- Environmental management

4. Fintech

- Trends and new platform business models
- Traditional payment methods: bank cards, networks of means of payment
- New payment methods: EMV Contactless, NFC, Mobile payment, wearables of payment
- Self-sovereign Identity, Digital Identity applied to Fintech and its link with KYC and AML
- Bitcoin and cryptocurrencies
- Blockchain, fundamentals.
- Decentralized Finance
- Token Economy

With more details, Students will learn Finances as global imperative

Mitigating Financial Risks: Sustainable finance serves as a bulwark against long-term financial perils. Investing in companies with robust ESG credentials typically yields greater resilience to market upheavals and volatility.

Investor and Consumer Demands: Institutional and retail investors are increasingly clamoring for socially responsible investments. This translates into an escalated appetite for sustainable financial products.

Regulation and Compliance: Governments and regulatory bodies are promulgating more stringent standards pertaining to financial sustainability. Financial institutions must adapt to adhere to these regulatory edicts.

Reputation and Brand Enhancement: Companies that embrace sustainable practices burnish their reputation and allure to consumers and employees, potentially resulting in enhanced financial viability.

Learning strategy

The learning methodology will be based on the Deusto model (MAUD), which uses contextualization, reflexive observation, conceptualization, active experimentation and evaluation.

- There will be two 1-hour lectures per week, to be conducted remotely (for questions and so on).
- It will use different resources (for instance, videos, official documents, team activities ...)
- There will be case solving and debates during some of the lectures.
- Individual and group meetings with the professor also solve doubts.

Evaluation system

The evaluation of the subject will be carried out through five components:

- (1) Socially Responsible Investing and sustainable finance: 30% of the final mark. Group' assignments on current topics of sustainable finance. (From 0 to 10).
- (2) Ethical perspective in finances: conceptual approach: 15% of the final mark. Group' assignments on ethical banks. (From 0 to 10).
- (3) The role of the circular economy: 15% of the final mark. Group' assignments on circular economy. (From 0 to 10).
- (4) Fintech: 30% of the final mark. Group' assignments on Fintech. (From 0 to 10).

All these assignments will evaluate both the specific skill and one of the generic skills.

- From 0 to 10; 10% of the mark will be allocated to class participation

- IMPORTANT: The grade of the course will have to be over 5 (out of 10) to get a pass. Besides, assignments on Socially Responsible Investing (1) and Fintech (4) cannot have an average mark below 4 (out of 10), in otherwise the whole course will get a fail.

References

During the course both official and other reliable internet sources will be used, together with academic research on the topic. Among others, students will use the following:

- BADÍA, G., CORTEZ, M. C., & FERRUZ, L. (2020). Socially responsible investing worldwide: Do markets value corporate social responsibility? *Corporate Social Responsibility and Environmental Management*, 1–14.
- BIGGERI, U., FERRI, G., IELASI, F., SASIA, P. (2023). *Ethical finances and prosperity*. London. Routledge.
- BIS (2020): *The Green Swan. Central Banking and Financial Stability in the age of Climate Change*, Bank of International Settlements, Basel, Switzerland.
- CARNEY, M. (2015): Breaking the tragedy of the Horizon. Climate change and financial stability, speech at Lloyd's of London, Bank of England, London, UK. Video.
- CASSIS, Y. (2011): *The shaping of Modern Finance*, Oxford University Press, New York, USA.
- ZERO TO ONE: Notes on Startups, or How to Build the Future by Peter Thiel with Blake Masters. The Four Steps to the Epiphany by Steve Blank
- GLOBAL SUSTAINABLE INVESTMENT ALLIANCE (GSIA). (2020). *Global Sustainable Investment Review 2020*.
- FINTECHNEWS. (2021). *How Fintech Is Pioneering Sustainable Finance*.

- FINANCIAL TIMES. (2021). Sustainable Investing: A More Comprehensive Approach.
- UNITED NATIONS PRINCIPLES FOR RESPONSIBLE BANKING. (2019). Banking Principles Implementation Guidance.

Webs

- <http://www.eurosif.org/our-network/gsia/>
- <https://www.ftpartners.com/fintech-research>
- <http://www.gsi-alliance.org/>