

# The role of finance in achieving sustainability

April 20 2020, by Kelsie Defrancia

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Financial markets are the primary directors of economic activity in a capitalist global society, but they also have an important societal role in encouraging investments that are beneficial to natural and human ecosystems. Behavior is influenced by the availability and price of capital finance, and sustainability factors must be reflected in the world

as understood by finance professionals in order to be real and not merely symbolic.

A new book, titled "[The Financial Ecosystem: The Role of Finance in Achieving Sustainability](#)," outlines the rationale for and methods used in six areas where financial acumen has been harnessed to the goal of combining monetary return with long run [sustainability](#). Last month, the Earth Institute's Research Program on Sustainability Policy and Management, the Master of Science in Sustainability Management program, and the MPA in Environmental Science and Policy program hosted an event to celebrate the publication of this new book authored by Columbia professors Satyajit Bose and Dong Guo, and their colleague Anne Simpson. After opening remarks, Satyajit Bose moderated a panel with other sustainable finance experts to discuss the six areas and their specific roles in advancing measures of sustainability; new research around environmental, social, and governance integration and climate risk; and mobilizing financial resources to meet the United Nations' Sustainable Development Goals.

Steve Cohen, director of the event's three organizers, welcomed attendees and praised the authors' hard work, which he said, "culminated in a book that is essential reading for those interested in how finance can be leveraged to advance sustainability. It provides practical tools and specialized data sources that are critical to the important goal of increasing [social responsibility](#) in economic activity. Bose, Dong and Simpson have collaborated on an important and pathbreaking work."

Growing attention is being paid to the terms sustainable finance and green [finance](#), both at Columbia University and by investment professionals, which involves directing capital toward sustainability businesses and infrastructure, accounting for the risk posed by climate change and ensuring that investments serve to protect, rather than destroy, our planet. The Earth Institute's Research Program on

Sustainability Policy and Management is working with the investment management and corporate sectors to highlight sources of sustainability-related risks and opportunities into the analysis of capital deployment, as well as developing methods of analyzing environmental, social and governance factors and bringing them into routine due diligence and financial analysis. Columbia also offers a Certification in Sustainable Finance, which beginning in Fall 2020 students will have the option of completing primarily [online](#).

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