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Jeucken Marcel (2001). Sustainable Banking and Finance: People-The Financial Sector and the Future of the Planet. Earthscan. 256 Pages, ISBN 1853837660 , price \$39.95 (Hardback).

Jeucken Marcel has been heralded as the first to provide a comprehensive and accessible book on the subject of sustainable finance and banking. As a practitioner in Rabobank and a doctoral researcher at Erasmus University Jeucken is able to draw on personal experience to provide an accessible yet intellectually challenging book.

The stated target audience of the book is banking practitioners and policy makers followed by academics. For an academic audience it offers for debate both empirical insight and conceptual thoughts on shifts in the traditional economic foundations of banking. The book is set out in three parts. Each part and subsequent chapter is very well sign-posted. Part 1. *Sustainability: a general introduction* is likely to be of most interest to the Futures readership. It includes a comprehensive review of recent environmental policy developments and environmental consciousness as a basis for outlining Jeucken's vision of the future role of banks in pursuing sustainable (economic) development. In Part 2. *Banking and Sustainability* he illustrates examples of bank products and operations currently applied in pursuit of sustainable development as a basis for moving forward. Part 3. *In reflections* add to this insight with the results of a survey of sustainable banking drawn from public disclosures made by 34 international banks. The book ends with some thoughts on the future of banking. In this respect, the author's stated aim is not to provide definitive answers but to stimulate thinking and bridge the gap between philosophical and practical solutions. To this ambition he is true.

My main criticism of the book is that the title is somewhat misleading and its content over ambitious. Those interested in sustainability may find the scope of the book disappointing. As the author is quick to acknowledge, the book's focus on sustainable development is limited to a merging of the environment (often termed ecology) and the economy. In turn, use of the term finance refers to a wide range of services that often fall under the banking banner or debt finance. Equity investment issues such as socially responsible funds receive only passing reference. Much of the social dimension of sustainability and consideration of the broader financial sector is unfortunately missing leaving one feeling that the book might have been better titled environmental (or ecological) banking. However, under this revised title the author makes an exceptional contribution.

Jeucken argues that the current state of the art in sustainable banking is "*sufficient to get sustainability off the ground*"(p6). This may be viewed by some as a little optimistic. I would argue that such practice is resulting in the environment beginning to appear on the boardroom agenda of some banks but that the jury is out on the contribution of this to global or indeed local sustainability. As noted by Jan Pronk (Minister for Housing, Spatial Planning and the Environment, The Netherlands 2001) in his foreword "*environmental matters (and indeed social matters one might add) are not confined by national borders it is vital that sustainable banking should not be confined to just a few countries (or just a few banks), as banking activities and capital flows are not confined by national borders*". In my experience banks would argue that they have limited power in a competitive market for such a proactive influence as Jeucken endows them with. However, given that the market capitalization of the banking sector as a whole (however defined) is likely to exceed the financial wealth of many small countries, banks can be challenged on their own terms.

It is in his final chapter (11) that Jeucken raises what is ultimately for me the most important question - can banks achieve sustainable development within the current economic perspective? While this question is beginning to appear in bank literature, answers remain elusive. In this respect Jeucken's position is no exception. At a practical level he argues that 'first order' change towards sustainability can be achieved through incremental improvements in the production process and in durability of products. It is in respect to the achievement of 'second order' change that Jeucken raises the question of economics and the possible need for a change in banks' economic perspective. Jeucken notes that "current modes of wealth pursuit are too narrowly focused". His argument is justified but is weakened by his tendency to turn from a

philosophical stance to a practical stance by representing progress in financial terms. For example, he argues that "by no longer seeing the environment as simply a cost item or risk, but understanding that banks themselves as well as their clients *can earn money* from care for the environment" (p228). Placing the philosophy of how we move away from viewing environment as a limiting condition for economic activities is a good place to start debate, for even Jeucken's state of the art examples of current practice do not begin to move us beyond this point.

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