



Markus Demary/Adriana Neligan

JEL-No: O16, Q01, Q54, Q56

Green Bonds – making a success of sustainable finance

The European Union is making considerable efforts to lead the way towards sustainable finance. We believe that the framework for this is unbalanced; it emphasises too much on the view of investors rather than that of issuers. The framework does not adequately address the contribution of input producers to green final products and the contribution of non-green investments to CO₂-reduction, with the result that their financing costs could increase. Our first recommendation is to shift the focus away from individual green products towards green value chains. This approach would allow intermediate goods producers of non-green products to issue green bonds if they contribute to green final products. Our second recommendation is that companies should at least partially be allowed to issue green bonds if they invest in technologies that significantly reduce their CO₂ emissions.

Basil Bornemann/Paul Burger

JEL-No: D91, D110, Q58

Nudging and Sustainability. Opportunities and Risks of a New Political Steering Approach

There has been an intense discussion about “nudging” in recent years. The term refers to an approach for steering the behavior of individuals through “gentle” interventions in their decision architecture. While some reject nudging as manipulative and autonomy-damaging, others regard it as a particularly promising approach to enabling sustainable behavior and promoting a societal transformation towards sustainability. This article takes this promise as an occasion for a preliminary sustainability assessment of nudging. Based on a general understanding of sustainable development, opportunities and risks of nudging are identified. The analysis indicates that the approach is not fundamentally incompatible with sustainability, but may be accompanied by undesirable ecological, economic and social side effects. Therefore, it is argued that the use of nudges for the sustainability-oriented governance of society requires policy designs that take into account both the opportunities and risks of the approach.

Günter Knieps

JEL-No: L92, L96, L86

Intelligent railroad networks for sustainable mobility

The Internet of Things and the transition to intelligent networks is also gaining relevancy within railroad systems. Large innovation potentials on the markets for railroad services, train traffic management and traffic control systems as well as railroad infrastructures are analyzed. The transition towards intelligent railroad networks requires to exhaust the potentials of the Internet of Things and particularly the shift from the narrowband GSM-R towards the broadband 5G communication networks.





*René Kemp/Anthony Arundel/Christian Rammer/
Michal Miedzinski/Carlos Tapia/Nicolò Barbieri/
Serdar Türkeli/Andrea M. Bassi/
Massimiliano Mazzanti/Donald Chapman/
Fernando J. Díaz López/Will McDowall*

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O44, Q01, Q50, Q55, Q57**

Measuring eco-innovation for a green economy

This paper, written by experts of eco-innovation, offers guidance on the measurement of eco-innovation for a green economy. This is done through definitions, an explanation of important issues for understanding, a discussion of the various ways in which eco-innovation (in its different forms) can be measured, and a proposal for a four-pillar indicator system.

Erik G. Hansen/Julia Schmitt

JEL-No: Q55, O31, Q53

Circular economy as an opportunity: Designing innovative products, services and business models across the value chain

What is the point of increasing material efficiency if products are used ever shorter? The circular economy represents a new paradigm of closed-loop value creation, serves as a source for new products, services, and business models and thus allows companies to develop sustained competitive advantages. In order to successfully innovate in the circular economy, companies need new capabilities in the areas of product design, business model development, management of reverse flows, and – as a crosscutting capability of particular relevance – interorganisational collaboration with partners along the entire value creation cycle.

Klaus Gabriel

JEL-No: G00, Q1

Sustainable Investment Strategies

This article discusses the significance and relevance of sustainable investment strategies. In a first step, the concept of sustainability is explained. It is emphasized that the colloquial use of this term may differ significantly from its scientific use. In a second step, the article illustrates the most important sustainable investment strategies. In a third step, the EU Action Plan for financing sustainable growth will be addressed and critically evaluated.

Karen Wendt

JEL-No: O30, O31, O35

Innovation through Social Entrepreneurship

Social entrepreneurs are pioneers of social innovation that benefit humankind. Since the financial crisis of 2008, they have also been among those who advocate for sustainable market-based solutions and fill in gaps where the state no longer engages. They develop solutions for global or local societal challenges. They see opportunities in the challenges and have the ability to re-focus knowledge and methods and unleash untapped potential to help meet societal challenges. So what distinguishes Social Entrepreneurs from normal companies? What are their motivations? What are the success factors of their business models? What prevents or improves the scalability? This article examines the success factors of social entrepreneurship, raises the question of the scalability of the business model and also addresses the effectiveness of different financing models.

