FOREWORD TO "RESPONSIBLE INVESTMENT IN TIMES OF TURMOIL"

During a weekend in mid-April 2010, a volcano eruption in Iceland brought European air traffic to a near total halt. Similarly, the collapse of Lehman Brothers in September 2008 released a toxic cloud provoking a global economic crisis from which we still have to recover. Partly in response to this latter phenomenon, the contributing authors and editors present us with this volume dedicated to the theory and practice of responsible investment which I now have the honor to introduce.

I do not like the term "responsible investment" for the same reasons I disapprove of expressions such as "responsible business" or "social enterprise". It's not because I find them simply wrong or self-contradictory, but because they irritatingly belabor the obvious. At least, something that seems to me should be obvious. For how else are we to understand business and investment, if not as responsible human acts? The alternative of conceiving them as the execution of purely technical procedures –either by humans or by machines— on the basis of expert, codifiable knowledge, at this point, plainly has ceased to hold ground.

In the spirit of "not letting a crisis go to waste", we should welcome this opportunity offered us by the authors to seriously consider the purpose and significance of investment and finance. The task of establishing the causes of the current global economic malaise belongs to historians. Nonetheless, many have already ventured to indicate the disproportionate weight of the financial sector in the overall economic activity as one of the possible culprits. Inadvertently or not, we have allowed the tail to be wagging the dog. We have somehow forgotten that the purpose of finance ought to be to provide resources for productive investments. Instead, we have been misled by some captains of industry to believe that there is essentially no difference between investment and gambling, between financial institutions and casinos. Except that they always win whilst we're doomed to pick up all the broken pieces. And I'm not only referring to the profits Goldman Sachs made on synthetic collateralized debt obligations (C.D.O.'s), such as the Abacus 2007-AC1.

There may still be some wisdom in Aristotle's insistence on the perversity of accumulating resources, especially financial ones, for their own sake. There ought to be

a limit, based on what we want those resources for. Whatever that may be, perhaps it should be something more substantive than the mere thrill of "keeping score". Aristotle's answer, of course, depended on those resources' contribution to *eudaimonia*, the good life, which among other things, is necessarily a life shared with other fellow human beings.

I wish, therefore, to congratulate the authors for having put together such a fine and cohesive collection of scholarly studies. That they have been able to do so under the aegis of EBEN (European Business Ethics Network) as one of our "special interest groups" provides me with special pride and satisfaction. For this book clearly signifies a step in the right direction of clearing up the dust and fog that unfortunately envelops much of today's investment theories and practices.

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