



REVIEW

By Associate Professor Yana Krasimirova Sabeva, PhD

Faculty of Philosophy, Sofia University „St. Kliment Ohridski“

**Member of a scientific jury, appointed by order RD-38-413 of 14.7.2023 of the Rector of SU
"St. Kliment Ohridski"**

Subject: dissertation for award of an educational and scientific degree "Doctor" in professional field 2.3 Philosophy/Philosophy in English language

PhD Candidate: Cengizhan Kaptan, full-time PhD student at Department "Logic, Ethics, Aesthetics"

Dissertation topic: The Philosophy of Sustainable Finance

Supervised by: Professor Alexander Gungov, PhD, Sofia University „St. Kliment Ohridski"

1. General overview of the procedure

Dissertation "The Philosophy of Sustainable Finance" was successfully presented at internal discussion. The PhD candidate finished the doctoral program with the right of public defence.

According to the requirements of the Act on Development of the Academic Staff in the Republic of Bulgaria and the Regulations for its implementation, Cengizhan Kaptan submitted three articles for participation in the procedure:

1. The Philosophy of Sustainable Finance: Reflections through a Marxian Framework. SPhR Vol. XV, No. 1, 2022
2. Biopsychopolitics – A Marxian perspective on society and individual. SPhR Vol. XV, No. 2, 2022 (Accepted & to publish)
3. Net-zero paradigm in capitalist economy: A critical assessment. Filosofiya (accepted & forthcoming).

2. Resume on candidate's work, based on documents provided



2.1 Education

Cengizhan Kaptan holds a Bachelor Degree in Public Administration from Anatolian University in Turkey (1999). He also holds MSc from Leeds-Beckett University, United Kingdom (2019) and MBA from Aston Business School, Aston University, United Kingdom (2021).

Since 2020 he is a full-time PhD student at Doctoral Program "Philosophy in English", Department "Logic, Ethics, Aesthetics", Sofia University of St. Kliment Ohridski".

2.2 Professional Experience

Cengizhan Kaptan has extensive professional experience in the financial sector, starting in 1995. His professional development is related to highly respectable international financial institutions such as Raiffeisen Bank International AG, Austria (from 2008 to present), Denizbank AG, Austria (2006 – 2008), Denizbank A.S., Turkey (2003-2005), Iktisat Bankasi A.S., Turkey (1998-2002) and Yapi ve Kredi Bankasi A.S., Turkey (1995-1998).

3. General description of the dissertation work

3.1 Dissertation topic

In his dissertation work, Cengizhan Kaptan explores sustainable finance. The analysis is developed from the perspective of philosophy and its tools. This approach provides new research perspectives that have the potential to generate not only scientific but also applied value.

In the context of the active public debate on the subject and the need for scientific research and expert opinions, the dissertation is extremely relevant and contains potential for development in various directions. I would say with confidence that it also has important contribution for theory and practice in view of the development and transformations that the world economy and companies are going through.

3.2 Review and assessment of the main parts of the dissertation work

The dissertation has a total volume of 184 pages. The author's text is 170 pages. The text is divided into an introduction (pp. 2-12) and six chapters (pp. 13-170). A bibliography is also attached (pp. 171-181). The structure of the text is well developed. The content of the chapters is presented in a comprehensive and balanced way. The precise language and appropriate style, which combine the requirements for scientificity and readability, also deserve attention.



An abstract (in Bulgarian and in English) in volume of 49 pages of text plus bibliography is attached to the dissertation. The abstract accurately and comprehensively presents the content of the research and the scientific contributions.

The topic and its relevance are presented in depth in the **introduction** of the text. The main goal of the study is described - to show how „philosophy can provide a holistic view of a certain field – in our case, sustainable finance ...So, one of the main purposes of this study is to show that philosophy, among other things, collaborates with other sciences, constituting a source that supplies these sciences with aspects that they should consider“ (p.2). This is the basis of the author`s idea „to develop and present what Sustainable Finance means from a philosophical perspective“ (p.3). The author also claims that he sees „Sustainable Finance as a process and an inevitable phase of capitalism” (p.3), and he believes “that the exploration and elaboration of this specific phase is a task for philosophy“ (p. 3). I am convinced that the achievement of these goals will have scientific value and potential for wide application in practice.

In the introduction, Kaptan aims to “position sustainable finance and ESG both historically and philosophically and then to examine the limits and inherent capabilities of these initiatives, which claim to transform the world through financial activities dedicated to protecting the environment (E), improving social life (S), and providing governance (G) that ensures these characteristics (p.6). Here he emphasizes again that in collaboration with other sciences and their tools, philosophy could make a valuable contribution (p.6).

The approach to the analysis of sustainable finance is clearly formulated in the introduction part of the work: the application of Marx's dialectic, "whose roots are found in Hegel". The research seeks to outline the framework of sustainable finance "beyond capitalist paradigms". In the introduction, a philosophical **stance** is presented (pp. 7-11). Referring to Marx, the author claims, that capitalism leads to poverty and it is a key reason for social and economic injustice. According to him, the accumulation of capital is an obstacle for the development of society and productive forces (p.10). Here he poses one of the main questions of the dissertation: whether sustainability is possible within the capitalist system (pp. 10-11).

Chapter one of the text (pp. 13-27) is devoted to the research methodology. The author emphasizes that the theoretical basis of the dissertation is organized according dialectics of Hegel and Marx and "the critical approach that dialectics entails" (p.13). This approach according to the



dissertation allows better understanding of the essence of the concept of sustainability as well as achievement of a better analysis of inequality and injustice. To accomplish his goal, the author states his intention to review dialectical logic and explain the differences between Marx and Hegel (p.13).

In the first chapter the social importance of sustainable finance is emphasized as a key motive for conducting research. The scope of sustainable finance is explained as a process of financing companies from different institutions or investments in certain financial products such as green bonds. This is important for understanding sustainable finance from a shareholder perspective.

The first chapter outlines two further aims of the study: "to provide a solid foundation in the epistemology of Sustainable Finance, and then provide ontological insights" (p.26), and to analyze sustainable finance based on review of Marxian framework.

The author sets as a key task of the dissertation „to explain Sustainable Finance through its own process, without the intervention of external parties“ (p.27) .

As a general comment on the content of the first chapter, it should be noted that the theoretical statements are comprehensively presented for the scope, purpose and tasks of the dissertation. The text is very well structured and gives clear guidance on the nature and scope of the research.

The second chapter (pp. 28-64) presents in detail the essence of sustainability and sustainable finance and their historical development. From the point of view of the completeness and quality of the text, this is one of the most contributing parts of the study.

This part of the dissertation begins with a definition of sustainable finance. The European Commission's definition presented on p. 28, deserves attention because of its adequacy in relation to the tasks of the study. It is also the main definition on which the author bases his research.

In the second chapter, the development of the topic of the concepts of "sustainability" and "sustainable finance" is analyzed, including the process of imposing them on the public attention and agenda. Such an analysis is extremely necessary because it supports the implementation of research tasks and provides clarity on some processes that take place at a global level and have an impact on the activities of companies and financial institutions today.

As a general assessment it should be noted that the historical overview of the development of the concept of sustainable finance is presented systematically and completely. The analysis corresponds to the scope and tasks of the dissertation work.

In the second chapter special attention is paid to the concept of Corporate Social Responsibility - CSR (pp. 40-45). This aspect of the text is important in the context of the research.



CSR affects both the companies' core business and their corporate reputation and affects their market positioning and performance. In this regard, the issue of impact of the environment on companies during the development of CSR programs is considered rightly in the text.

The contributions of CSR to companies and to society, as well as its role in building corporate reputation are also examined. The change in the perception and implementation of CSR during and after the COVID-19 pandemic was also presented (p. 44). In the analysis of the essence and communication of CSR, Kaptan captured its duality in a correct manner: "CSR in its essence represents inequality in a hidden form, while promoting ethics and care for others" (p.44).

The second chapter also presents key historical events connected with climate change. They all contributed to the development of sustainable finance: Rio summit (1992) aimed to "stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system" (p.46); the adoption of the Kyoto Protocol in 1997 and its goals for reducing greenhouse gas emissions, including the fact that financial system was involved as a participant in development and implementation of sustainability concept. The adoption of 2030 Agenda for Sustainable Development in 2015 is also examined. COP26 and COP27 meetings are analyzed. In this part of the text, an excellent impression is made by the fact that the author analyzes current events in historical context and in the context of development of sustainable finance, incl. the evolution finance – sustainable finance.

It is also should be noted that the author makes an in-depth analysis of the mechanisms and motives behind the decision of a company to develop and implement sustainable policy, incl. profitability and growth, which is undoubtedly one of the contributing points in the text.

Chapter Three (pp. 65-93) has two key points. Following historical overview of sustainable finance provided in chapter two, here author reviews the current situation regarding the reduction of fossil fuels use in industry. For the purposes of the dissertation, this analysis is important because it has a direct connection to the application of the concept of sustainable finance. Here the author touches on an extremely important aspect of the problem: the discrepancy between the natural drive of companies for profit and what is communicated to the public as "green economy" and "sustainability". This problem has two aspects. The first, let's call it "economic", is related to profitability, incl. of different technologies. The second is related to the way in which the idea of "environmental" policy and "sustainability" is communicated. We are currently witnessing a confrontation between pursuit of profit and sustainability. This confrontation, captured perfectly in



the text, is putting policies, businesses and entire countries against each other. And divide them to "green" and "non-green". Here in the text, an extremely important issue is marked - about knowledge, in this case about the knowledge of the essence of sustainable finance. This issue is addressed in Chapter Four.

The second key point in this part of the text are the principles of sustainable finance. This part of the dissertation demonstrates an excellent understanding of key economic concepts and their adequate presentation in the context of the study. The author successively explains the concepts of "finance", "sustainable finance" and "credit system". He distinguishes between different types of capital. It is excellent idea to pay attention to the rating systems, which are among the main drivers in the process of allocating and distributing funds. A sustainable policy has an important role because it is a kind of "guarantor" for the allocation of funds. The author rightly notes that sustainable finance has "hidden characteristics" and emphasizes the role of rating systems in the lending process. The role of profitability and growth, which are part of the concept of sustainability and, in particular, sustainable finance, is also taken into account.

The author emphasizes the main objective of sustainable finance beyond the responsibility towards nature conservation. According to him, it is profit - "Sustainable Finance, in the main, nourishes the owners of capital and seeks to generate more profit for its companies " (p. 92). I also support the author's thesis that "from the perspective of lenders, banks, and other financial institutions, the main consideration when financing sustainable transactions or firms is profitability" (p.93).

In the **fourth chapter** (p.94-123), the author analyzes some deficits of capitalist system. They are mainly related to the potential for achievement of global environmental goals. Kaptan analyzes the goal for zero net carbon emissions by 2050 (p.94). He cites various sources to support his thesis that this aim probably will not be achieved to the extent that it has been claimed. The main problems in the face of lack of safe technologies, compensations and the popular greenwashing are highlighted.

In this chapter, the author examines an extremely important issue - about knowledge, and more specifically about knowledge in the field of sustainable finance (p.100). Lack of knowledge, as he says, is at the root of inequality. In addition, knowledge is the basis of investor interest and companies' prosperity. Here other important problem related to communication is marked. Sustainable finance needs large-scale information campaigns at the global and local level, in front of different audiences. This is the only way to ensure its understanding and adequate application.



In the fourth chapter, the author reviews investments and some recent events, in order to outline some current trends in sustainable finance (pp. 102-105). He also dwells on the topic of regulation and deregulation in the context of sustainable finance and in particular whether the regulatory base is adequate in order to achieve certain environmental goals (p.108-112). This aspect is quite relevant in view of the fact that the achievement of certain objectives is directly related to the existing regulatory framework.

In this chapter of the dissertation, the author discusses in detail the process of financialization, from the point of view of its potential impact on sustainable finance (p.112-120). As an illustration, he uses the USA - China economic confrontation and concludes that the next big arena will be the "financialization of nature" (p.119).

The author examines the connection regulation - deregulation - financialization. He comes to the conclusion that weak regulation leads to greater financialization of the economy.

The author stress to the need for global transformation, incl. at the political, economic and social level.

In **Chapter Five** (pp.124-160), the author suggests rethinking of Marxian framework proposing "systematization that includes the disciplines of biopsychology and social psychology in relation to the philosophical field" (p.124). According to him, there is a need for revision of the concept of the individual in society „since the social aspect is already the key to understanding" of it. For this purpose, he introduced the term biopsychopolitics (p. 125), which is "an orientation and ground for social and individual analysis and for the interrelation between the individual and society" (p. 125). One of the goals of the author is „to transcend Foucault's governmentality-based biological approach as well as to explain the shortcomings of Byung-Chul Han's psychopolitics, which he presents as almost the antithesis of biopolitics" (p.126). He emphasizes that although the term biopsychopolitics "draws on Foucault's and Han's concepts, its content is radically different" (p.126).

In chapter five, Foucault's concepts of biopolitics (pp. 127-135) and Byung-Chul Han's concepts of psychopolitics (pp. 136-138) are presented in detail. Here, a place is devoted to the applications of biopsychopolitics (pp. 141 – 144), which are supported by relevant examples. They are related to the ownership of social productive forces in relation to discrimination (p.144) and to class consciousness in relation to inequality (p.145).



As a summary for this part of the text, I should emphasize that the introduction of the term "biopsychopolitics" is an important contributing point. The author succeeds in presenting not only its scientific value, but also its value for application in practice.

Chapter five also contains a section entitled "Social Phenomenology" (p.148). There, the concept is presented in relation to sustainability and sustainable finance. The author concludes that it is necessary to develop social philosophy and social phenomenology in a „direction that accepts the inevitable role of morality and responsibility".

Chapter Six (pp. 162-170) is dedicated to summary of the content of the dissertation and suggestions and directions for future tasks and research. Here, the author emphasizes again that the analysis of sustainable finance is carried out from the point of view of philosophy, the method used being the dialectic of Hegel and Marx, as well as analysis "from the external manifestation to the essence". Here the author also makes a distinction between philosophy and critical social theory, suggesting collaboration between these two fields and other sciences.

4. Scientific contributions

The dissertation makes a significant contribution to the analysis of sustainable finance, which fundamentally changes the development and perspectives of the world economy and business. Today it functions in the conditions of active scientific and public debate and there is crucial need for high quality researches. The authors` approach - to present sustainable finance and its role and functions in the context of philosophy makes the dissertation valuable and unique in Bulgarian science.

The author has formulated scientific contributions that I accept. In view of their importance, I would like to pay special attention on following:

- The study, dedicated to the detailed analysis of sustainable finance using a philosophical tools, is innovative and has a significant scientific and applied contributions;
- The author launch a new term - "biopsychopolitics". The term is presented according to good scientific practices;
- Through analysis, Kaptan develop comprehensive presentation of main elements of sustainable finance, which is extremely important for future elaboration of different types of management and communication strategies;



- Using Marx's dialectic as instrument for analysis, the author proves that the goal of sustainable finance is profit and growth.

5. Critical notes and recommendations

I would strongly recommend to the author to consider publishing his work as well as to continue his research in the field of sustainable finance and philosophy.

6. Conclusion

Cengizhan Kaptan's dissertation "Philosophy of Sustainable Finance" is high quality research. It contains scientific results, which represent original scientific contribution. It also has potential for application in practice.

The work shows that Cengizhan Kaptan demonstrates excellent abilities for conducting valuable scientific research. He also has wide academic knowledge supported by extensive professional experience and skills.

In connection with the above I strongly recommend to the respected members of the scientific jury to give positive assessment to Cengizhan Kaptan and to award him with educational and scientific degree Doctor. I also confidently give my positive assessment.

September 15th 2023

Sofia

Associate Professor Yana Sabeva, PhD