Sustainable Finance Is Starting To Address Social Justice As COVID-19 Raises The Stakes, Report Says

NEW YORK, Nov. 10, 2020 /PRNewswire/ -- S&P Global Ratings says sustainable finance, especially social bonds, will continue to serve as a tool in the economic fight against COVID-19 and the social inequalities and justice issues that have proliferated as a result.

Early in the pandemic, the coronavirus was seen as the "great leveler," hitting rich and poor alike. Instead, it's become apparent that COVID-19 is the "great divider," aggravating the many structural inequities between richer and poorer nations and people--leading to demands for social justice.

"The pandemic has become a health crisis that also has huge ramifications for social justice that will dominate social, political, and economic agendas for years to come," said S&P Global Ratings analyst Lori Shapiro in the report published today, "**Sustainable Finance Addresses Social Justice As COVID-19 Raises The Stakes**."

Instead of growth at all cost, there are calls for equitable, sustainable growth that benefits all, including the most vulnerable populations.

Part of the solution will be government programs that help shape a just recovery as well as greater support from a financial system that rallies around social issues.

"We are already seeing that investors in the capital markets have an appetite for debt instruments dedicated to meeting needs for housing, education, health care, and employment," said Ms. Shapiro.

To fund programs to address the problem, governments, supranationals, and corporations, among others, have accelerated issuance of sustainable instruments--including social bonds, where issuance jumped nearly four times so far this year to US$71.9 billion from the 2019 level.

"We think the sustainable debt market, partly because of the rapid rise in social bond issuance, could exceed $500 billion this year," Ms. Shapiro said.

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