Money for the day after tomorrow
New rules for sustainable fiscal policy

Sustainable investments are steadily becoming more important in Europe. But tax and investment legislation are still hampering innovation in this area in many countries. On the path to a sustainable economy, companies are increasingly adopting the goal of long-term value creation, which integrates financial, social, and environmental value equally. Bruegel, a Belgian think tank, is now presenting a six-point plan for sustainable investing. The points range from active investment in specific portfolios and long investment horizons to deep engagement with companies in especially sustainable industries. The ultimate goal is a new European legislative initiative that remains financially acceptable because of sustainable economic investment, suggests Bruegel from Brussels, Belgium.
FINTECH
Starting capital
How peer-to-peer lending can stimulate the economies of developing countries

Peer-to-peer lending, also known as person-to-person lending, is loans made directly from one private person to another. No financial institution serves as intermediary. Global regulation of P2P lending has developed steadily in recent years. The Asian Development Bank Institute has now described and evaluated the spectrum of P2P lending systems for the first time. The Centre for European Policy Studies (CEPS) in Brussels, Belgium, shows what should be done about this situation.

(new amounts of loans, in euro)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (in euro)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>11.5 bn</td>
</tr>
<tr>
<td>2014</td>
<td>42.7 bn</td>
</tr>
<tr>
<td>2015</td>
<td>153.4 bn</td>
</tr>
<tr>
<td>2016</td>
<td>364.4 bn</td>
</tr>
<tr>
<td>2017</td>
<td>506 bn</td>
</tr>
</tbody>
</table>

Source: P2P001.com, in ADBI (2019)

GLOBAL ORDER
A world power exercises restraint
What America’s retreat from the Middle East entails

Former US President Barack Obama made American power in the 21st century synonymous with partnership, subtlety, and hybridity. In US military doctrine, this is called a “light footprint”. Donald Trump has abandoned this position in favour of concentrating on his own country. The Danish Institute for International Studies believes that the loser from this new approach is already clear: it is the United States of America. The winner has yet to be determined. The Institute in Copenhagen thinks that the retreat from the international stage in the Middle East is particularly clear. The new study from The Danish Institute for International Studies (DIIS) in Copenhagen, Denmark, shows scenarios where this new dynamic could lead the Middle East.

INTERNAL MIGRATION
The cleverest leave first
How Europe can avoid losing its top young talent

Citizens of new EU member states are leaving their countries at above-average rates to fulfil their aspirations abroad. Intra-EU mobility has intensified this trend in recent years. Economic reasons continue to be the main drivers, but they are joined by so-called soft factors such as higher quality of life and less bureaucracy and corruption. The governments of new member states must give their well-educated citizens good reasons to stay or return. One thing is certain: The skilled workers that countries need generally leave to prepare themselves for the future. The Centre for European Policy Studies (CEPS) in Brussels, Belgium, shows what should be done about this situation.
**Leading Topics**

**ARMAMENT AND DEFENCE**

The nuclear taboo that is no longer How new players are reshuffling global nuclear policy

The “second nuclear age” began in the 1990s. New players entered the scene, and new forms of nuclear deterrence were conceivable after the end of the Cold War. After 9/11, this threat perception increased further. But the international community focused more on maintaining the old nuclear order of the 20th century. The Observer Research Foundation from Mumbai, India, believes that this must change and has published a new strategy paper with the goal of creating a new global nuclear order for the 21st century.

**POLITICAL SYSTEMS IN AFRICA**

The new era of coalitions How coalition governments are becoming the new standard in Africa

The time of one-party governments in Africa are coming to a close. Coalitions are trending. But what does this mean for the continent, and how is it different from Europe? The African Centre for the Constructive Resolution of Disputes has made an initial attempt at finding out where we are. It assesses both political conditions that lead to the formation of coalition governments and the question of how conflicts are prevented, and political transformation accelerated. When, how, and with what motivations political players enter coalitions and how these coalitions can become an effective form of governance in Africa, shows the new study released by the African Centre for the Constructive Resolution of Disputes (ACCORD) in Mount Edgecombe, South Africa.

**MIGRATION**

More than one path to the goal The Sahel is not just a stop on the way to Europe

Most African migration routes to Europe pass through the Sahel region. This is not good for people there; local communities suffer from the through traffic. This is because most European countries focus primarily on what will improve conditions in migrants’ home countries. Through stations such as the Sahel region are often neglected. Stability suffers, and even migrants experience abuse and human rights violations. What is needed is a comprehensive approach to migration control that includes transit regions and thus serves European interests better as well.

The Clingendael Institute of International Relations from The Hague, Netherlands, has prepared proposals for such an approach.

Migration routes through the Sahel

![Map of migration routes through the Sahel](https://example.com/migration_map)

Source: Clingendael (2018)

**Source:** Statista (2017)
Small steps toward to goal
Administration can not be digitalised all at once

Ideas of e-government are almost as old as the internet. But the internet is developing rapidly, while e-government is often limited to scanning and storing documents. Australia is a prime example: The country first quickly adopted the global e-government trend, earning a great reputation internationally in the 1990s. But then the national strategy became tangled in a confusion of various competencies and responsibilities, the national approach failed, and true e-government was never achieved. At the community level – in significantly smaller areas of responsibility – the system is functioning quite well. Sydney is an example of this: the city has made a large amount of the data it has collected available to the public. This, in turn, allows start-ups and other companies to develop new business ideas and contribute to a better-functioning infrastructure from outside the government. The Australian Strategic Policy Institute (ASPI) in Canberra, Australia shows in a new study just how this is happening and, using the example of Estonia, what else can be learned at the national level.

The countries on the Persian Gulf are literally built on their oil and gas reserves. But those reserves are shrinking, and the prices have not risen steadily as expected. The rise of younger, self-confident leadership, a new youth movement that demands more participation, and a re-orientation of American strategy has brought the region to a simmer. All players know that a great vision will be necessary to steady the region in future. This vision must carry through the transition and create long-term prospects. There is far more at stake than the governments’ primary source of income.

The world is becoming urbanised. The United Nations has calculated that by 2050, almost 70 percent of people will live in cities. In some regions, that development is proceeding very quickly. According to the “City Momentum Index 2018”, this is especially true of the Asian-Pacific region. That is where 19 of the 20 fastest-growing cities are located – nine in China and six in India. The policy consultants for Jones Lang LaSalle (JLL) from Chicago, London, and Singapore use the new index to explain why this is and what role globalisation, innovation, and real estate play.
The third polar cap?
Scenarios for dealing with drinking water supply in Asia

The Hindu Kush Himalaya region in Asia, known as the “third pole”, contains humanity’s largest reserve of drinking water. Its masses of snow and ice supply Asia’s most important rivers. The population is growing and using more water, and economic development is also closely linked to water security. Climate change threatens this fragile balance: Glaciers are melting and water reserves are shrinking. The Contribution to High Asia Runoff from Ice & Snow (CHARIS) project, conducted by the National Snow and Ice Data Center (NSIDC) from Boulder, USA, considers what policies should be pursued to prevent water from becoming a cause of war.

EDUCATION
Making school
A new type of education is emerging in the US – closer to companies and to profit

Make School is a new higher-education organisation in San Francisco. Its objective and focus is to give students an education that is as practical and relevant to business as possible. They earn a bachelor’s degree in applied informatics and complete internships at companies such as Facebook, Google, Apple and at various start-ups in Silicon Valley. Tuition fees are customised and, in many cases, not paid until studies are completed – payment is made via income share agreements as a percentage of the salary earned during studies. Many companies find the model to be a clever one and are joining the new initiative launched by Make School College from San Francisco, USA.

CLIMATE AND ENERGY

AIR TRAVEL

Above the clouds
Young entrepreneurs develop the first unmanned rescue helicopter

When Mark Groden was 16, he was already working in a laboratory for Case Western, a manufacturer for the US Air Force. His goal was to create an unmanned aerial vehicle. As the CEO of Skyryse, he is now in the process of realising his dream, developing the first autonomous rescue helicopter, which is to serve responders and patients in crisis situations. The California company intends to put the first of these helicopters into service by the end of this year. Among the intended benefits are reducing medical costs in evacuation scenarios, shortening reaction times, and increasing the range of local emergency services as Skyryse from Hayward, USA, puts in promising.
**FACES**

**FINTECH**

**Payday**

Henrique Dubugras (23) and Pedro Franceschi (22) are two of the co-founders of Brex, a FinTech start-up that was able to acquire more than 213 million US dollars in investment within a very short period and in less than two years achieved a valuation of 1.1 billion US dollars. Brex distributes a credit card developed specially for start-ups. The card calculates a customised, algorithm-based line of credit. This makes access to capital substantially easier for a group of companies that was previously almost entirely excluded. These companies can therefore grow more easily and with less risk. It was a clever move, and it is not just investors who think so.

**EDUCATION**

**You can teach**

Ankur Nagpal, a graduate of the University of California, Berkeley, founded his start-up, Teachable, a bit more than five years ago in order to democratise access to education. His online platform allows anyone to develop and sell customised online courses on a wide range of topics. It covers not only classical subjects that are normally offered in public or private educational programmes, but also such topics as beekeeping, cake-making, and bike repair.

Over the last five years, Nagpal has acquired more than 13 million US dollars in investments. Around 68,000 trainers are now offering their own courses on a wide variety of subjects and have earned more than 338 million US dollars themselves.

**HEALTH**

**Vegan products for the nether regions**

Start-ups want to use technologies to change the world. Most of them do, anyway. Einhorn, based in Berlin, offers “fairstainable” products at conditions that are beneficial for people and nature, and has been quite successful in doing so. For four years, Waldemar Zeiler and Philip Siefer, self-styled “bearded hipsters”, have been offering vegan condoms and feminine hygiene articles, securing fair pay for rubber cultivators and reinvesting half of their profits in social projects such as sex education for youth. Last year, the Berlin start-up achieved a turnover of 2.3 million euros.