

Sustainable Finance – The New Mainstream

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For several years now, there has been an exponentially growing interest in the subject area of “Sustainable Finance”, both in the public perception and in the scientific literature on finance. In particular, the activities of the European Commission, which is attempting to lay the foundation for achieving the goals of the Paris Climate Change Agreement through regulations – including regulations for capital markets – have contributed to this interest. In order to achieve the international climate targets as well as the Sustainable Development Goals developed by the United Nations, capital must be redirected from unsustainable to sustainable business activities and additional funds must be mobilized, including funds from the private sector. The question of how and whether this transition can work creates a large number of research questions for financial management research.

Consequently, we dedicated this issue of the journal “Credit and Capital Markets” to the topic of Green Finance.

The contributions we present in this issue show both the great need for research in the field of sustainable finance and the heterogeneity of research questions in this area.

Daniel Fauser and Andreas Gruener from the University of St. Gallen examine the predictive accuracy of different algorithms for corporate credit risk using corporate social responsibility data. Janina Rochell, Thomas Cauthorn, André Höck and Bernhard Zwergel from the University of Kassel identify factors that explain the varying popularity of sustainable investment in different countries and thus provide important insights about the drivers of SRI markets for policy makers.

Martin Nerlinger from the University of Augsburg examines the financial and non-financial performance of the DAX 50 ESG Index and its constituents.

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Gregor Dorfleitner, Davide Forcella and Quynh Anh Nguyena (University of Regensburg and CERMi) examine how institutional characteristics and economic growth are related to microcredits for green energy.

We were very pleased to coordinate this issue as guest editors. The large number of high-quality articles has shown us how many researchers are now working on sustainable finance. We could have filled two issues on this topic.

We would like to thank all the authors and reviewers for their excellent work.