Azadi Ka Amrit Mahotsav

SUSTAINABLE FINANCE

FOR CIRCULAR ECONOMY IN PRE AND POST PANDEMIC ERA

Editors

- Dr. Kirti Dharwadkar
- Dr. Bhushan Pardeshi
- Dr. Padmalochana Bisoyi

Himalaya Publishing House

ISO 9001:2015 CERTIFIED

SUSTAINABLE FINANCE FOR CIRCULAR ECONOMY IN PRE AND POST PANDEMIC ERA

Editors

Dr. Kirti Dharwadkar
Director,
Pimpri Chinchwad Education Trust's
S.B. Patil Institute of Management.

Dr. Bhushan Pardeshi
Head Research,
Pimpri Chinchwad Education Trust's
S. B. Patil Institute of Management, Pune.

Dr. Padmalochana Bisoyi
Associate Professor,
Pimpri Chinchwad Education Trust's
S. B. Patil Institute of Management, Pune.

Himalaya Publishing House
ISO 9001:2015 CERTIFIED

CONTENTS

01

Responsible Circular Practices for A Circular Economy

Aditi Londhe
SYBBA, SNBP College of ACS & MS,
Morwadi, Pimpri.
Email: aditilondhe20@gmail.com

Meghana Mane
SNBP College of ACS & MS,
Morwadi, Pimpri.
Email: meghamadhale@gmail.com

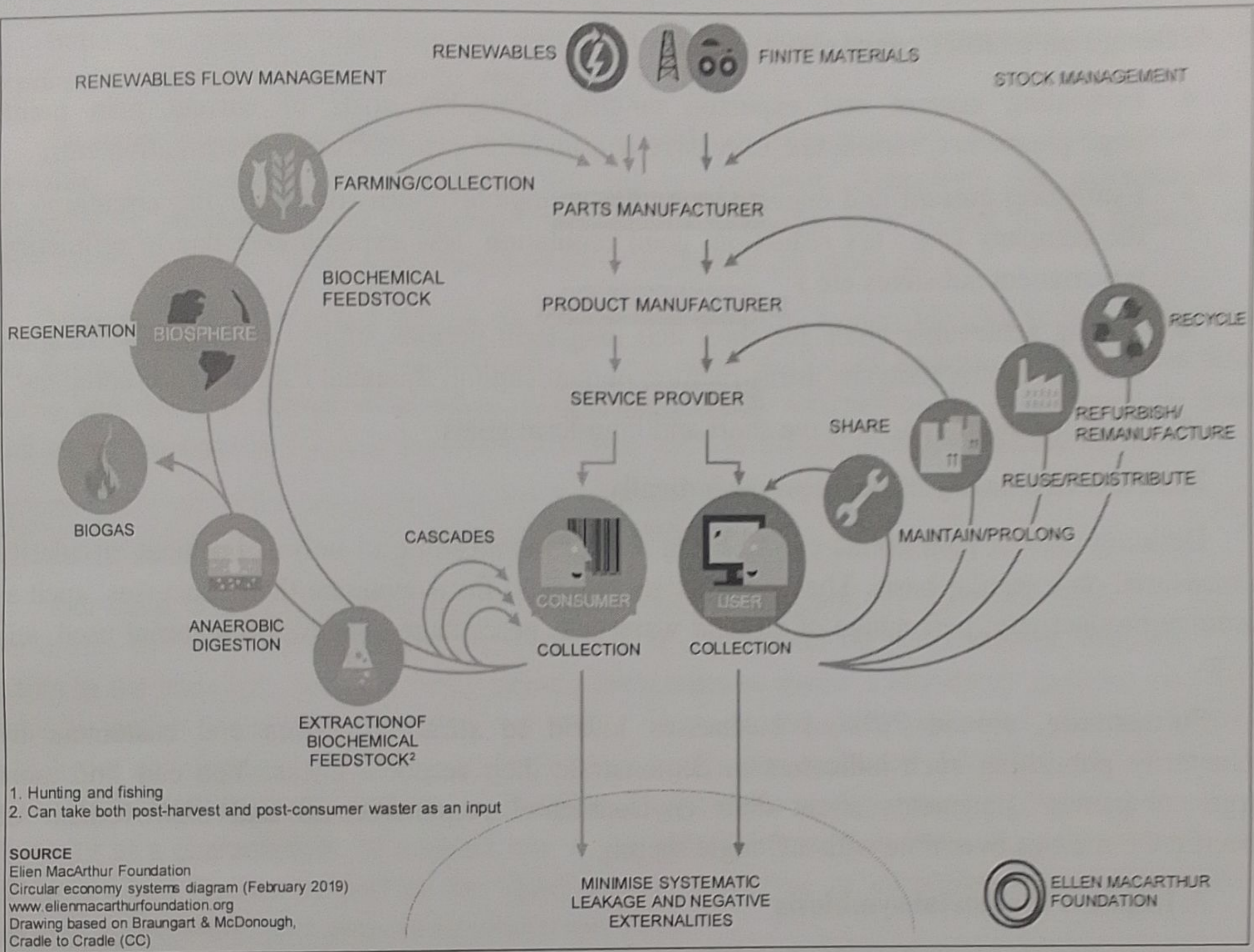
Abstract

Over the decades, mineral, fluvial and energy resources have been extracted more and more voraciously, generating associated emissions of pollutants in the air, soil and water. Due to the facts presented, the author shows CE as a strategy to overcome the modern obstacles of sustainable development. Industrial design is the determining factor for the transition to a more circular economy, insofar as, just as consumption, waste is a matter of influence. It is a collaborative process that uses sensibility and designer methods to reach a viable commercial strategy, thus converting need into demand, named by the author as Design Thinking, which can be achieved with the impulse for legislative changes and through incentives. In this paper the researcher has find some ways to make the industries sustainable in today's era. This will be helpful to know the best practices for the circular economy.

Keywords: *Circular Economy, Butterfly Diagram, HITACHI India, Sustainability.*

Introduction

In the linear economy, raw natural resources are taken, transformed into products and get disposed of. On the opposite, a circular economy model aims to close the gap between the production and the natural ecosystems' cycles – on which humans ultimately depend upon. This means, on one hand, eliminating waste – composting biodegradable waste or, if it's a transformed and non-biodegradable waste, reusing, remanufacturing and finally recycling it. On the other hand, it also means cutting off the use of chemical substances (a way to help regenerate natural systems) and betting on renewable energy. Developing products for a circular economy offers another point of view on how to eliminate waste and create value: that of designers and engineers. It isn't easy to create products that are lasting, simple to reuse or recycle, and profitable. But when design teams get together with other company departments and use design thinking, they can conjure up resource-efficient ways of delighting customers. Greater collaboration allowed one medical equipment company to figure out that collecting and refurbishing used devices would allow it to meet the needs of underserved customers in emerging markets. A way to transform our system what will it take to transform our throwaway economy into one where waste is eliminated, resources are circulated, and nature is regenerated? The circular economy gives us the tools to tackle climate change and biodiversity loss together, while addressing important social needs. It gives us the power to grow prosperity, jobs, and resilience while cutting greenhouse gas emissions, waste, and pollution. Three Strategies for Circularity Manufacturing companies—from the producers of products that serve the new economy to the more traditional companies that provide our clothing and furnishings can create a circular business model in many ways. Most involve a combination of three basic strategies. Retain product ownership (RPO). In the classic version of this approach, the producer rents or leases its product to the customer rather than selling it. Thus the producer is responsible for products when consumers have finished with them. RPO is an interesting strategy for companies that offer complex products with a lot of embedded value. A good example is Xerox, which has for a long time leased its printers and photocopiers to corporate customers. This strategy may require companies to invest heavily in after-sales and maintenance capabilities, which may be more expensive for them and, ultimately, their customers than a strategy of, sell and replace. RPO can also work with simpler products when they are relatively expensive and seldom needed. For instance, promoters have been renting tuxedos for decades, and the rental model is becoming more prevalent in an increasingly status-conscious society. The online fashion subscription service Rent the Runway, for example, rents designer clothes to people in need of a smart outfit for a one-off event. Its clothes may have little intrinsic value in terms of their raw materials, for example but their brand value can be significant. Product life extension (PLE), Companies applying this strategy focus on designing products to last longer, this may open up possibilities for markets in used products. Because a longer product lifespan means fewer purchases over time, this may seem like a bad idea for original-equipment manufacturers. But durability is a key competitive differentiator and provides a strong rationale for premium pricing, as we've seen with the outdoor-clothing manufacturer Patagonia and the luxury home-appliance company Miele. PLE can also help companies prevent their customers from defecting to a rival brand. Bosch Power Tools, for example, extends the life of its used tools by remanufacturing them, thereby enabling it to compete with new products from low-cost, low-quality producers. Design for recycling (DFR). Companies applying this strategy redesign their products and manufacturing processes to maximize recoverability of the materials involved for use in new products. This strategy often involves partnering with companies that have specific technological expertise or that may be best able to use the materials recovered. Adidas's six-year partnership with Parley for the Oceans is an example. Parley uses plastic waste to make textile thread from which Adidas manufactures its shoes and apparel. Their partnership reduces the amount of plastic waste in the world's oceans. Determining which combination of the three basic strategies will unlock the most value for your company involves some practical and very specific questions, such as whether you can reclaim your product from the customer, whether it can be moved, and whether you can remanufacture it. Let's look now at how best to structure that *discussion*. How Circular economy works: There's a world of opportunity to re-think and redesign the way we make stuff. 'Re-Thinking Progress' explores how through a change in perspective we can re-design the way our economy works - designing products that can be 'made to be made again' and powering the system with renewable energy.



The circular economy system diagram, known as the butterfly diagram, illustrates the continuous flow of materials in the economy. There are two main cycles the technical cycle and the biological cycle. In the technical cycle, products are kept in circulation in the economy through reuse, repair, remanufacture and recycling. In this way, materials are kept in use and never become waste. In the biological cycle, the nutrients from biodegradable materials are returned to the Earth, through processes like composting or anaerobic digestion. This allows the land to regenerate so the cycle can continue.

Best CE practices for Executives: Our economy was just 8.6% circular in 2021, which implies we could only reallocate 8.6% of non-virgin materials. Our economic system is founded on recklessly exploiting the planet's resources, resulting in environmental, ecological, social, and health issues. Employing virgin resources for 91.4% of our economic activities also suggests a significant – circularity gap that is linked to inefficient business practices. According to Accenture, circular economy (CE) practices would contribute 4.5 trillion dollars until 2030 by closing the circularity gap.

As a result, minimizing the circularity gap is linked not only to environmental stewardship but also to increase company profitability. Therefore, there are some best CE practices for executives to support them close their circularity gap:

1. Design an enabler corporate structure

- Estimating current and expected tangible-intangible costs of current pain points (e.g.: plastic tax, carbon tax, excessive raw material expenditure, bad reputation etc.)
- Estimating current and expected tangible-intangible returns of improving circularity of the company (e.g.: tax reduction, good reputation, less expenditures due to efficiency, government subsidies etc.)
- Setting achievable goals for short and long-term periods subject to tangible-intangible cost and return analysis, infrastructure, human capital, financial capital of the company.
- Building strategy to achieve short and long-term goals.

2. Assess circularity of business periodically

Defining present pain points and tracking changes is meaningful only if business circularity is measured on a regular basis. There are metrics that help firms evaluate their processes, such as resource productivity, percentage of circular water use, percentage of recycled material used, and so on.

Furthermore, around 70% of businesses intend to attract investors and customers by voluntarily publishing such indicators to demonstrate their responsiveness. You can find most large companies' statements about their environmental responsiveness and improvement of specific CE metrics over time with a Google search.

3. Improve industrial symbiosis

There are many examples of industrial symbiosis:

- Waste heat from one manufacturer-energy producer can transfer the greenhouses for reducing energy bills and GHG emissions.
- Waste water from some manufacturers that do not release toxic chemicals can be reused by other manufacturers or farmers after a simple water retreatment.
- Waste car tyres can be turned into materials for civil engineering.
- Organic waste can be turned into biogas which is a substitute for natural gas.
- Organic waste can be turned into organic fertilizer.

Responsible Business Practices for Circular Economy in India

It is estimated that a circular economy path adopted by India could bring in annual benefits of 40 lakh crores or approximately US$ 624 billion in 2050. The greenhouse emission would reduce by 44% along with significant reduction in congestion and pollution. Thus contributing to health and economic benefits to the society.

The government of India is actively formulating policies and promoting projects that are leveraging advanced IT and OT solutions to drive the country towards a circular economy system. Two such critical areas are electricity from recyclable resources and waste management.

India's exceptional economic and industrial growth along with burgeoning population has exponentially increased the nation's hunger for power.

To meet this surging demand for power through conventional non- recyclable resources is unviable, unsustainable and disastrous for the environment. Therefore, the government is aggressively pursuing power generation through the abundant solar power in the country and from the huge stash of solid waste that is daily generated in the urban areas.

Hitachi India, the Indian arm of the global technological leader, Hitachi, is fully supporting the government of India by providing the critical state-of- the-art technology to harness solar power and waste to energy technology plants that in future will reduce the dependency on fossil fuel power generation, helping to build a healthier and low carbon footprint circular economy.

Conclusion

Our main findings conclude that: for the CE concept to reach circularity, strategies to extend the useful life of resources must be applied. CE is a condition for sustainability, with the main actors in the transition process, being private companies to assess a circularity process, one must measure which actions are taken by the object of study, the skills presented, and the level at which the development (macro, meso or micro) it is being evaluated. Most schools of thought advocate a shift from fossil fuels to the use of renewable energy, and emphasize the role of diversity as a characteristic of resilient and sustainable systems. It includes discussion of the role of money and finance as part of the wider debate, and some of its pioneers have called for a revamp of economic performance measurement tools.

References

1. https://www.researchgate.net/publication/332935101_The_Circular_Economy _a_ user's_guide
2. The Sustainable business by Johnathan T. Scott 2nd edition.
3. Designing for the Circular Economy – M. Charter, Routledge.
4. https://www.researchgate.net/publicationWorldwide_Research_on_Circular_Economy_ and_Environment_A_Bibliometric_Analysis
5. Worldwide Research on Circular Economy and Environment: A Bibliometric Analysis November 2018 International Journal of Environmental Research and Public Health by Jose Luis Ruiz Real Juan Uribe-Toril Jaime De Pablo & Juan Carlos Gázquez-Abad.

※※※

02

Sustainability Reporting

Joylyne Steven Mascarenhas
SNBP College of Arts, Commerce, Science & Management Studies, Pimpri, Pune
Email: joylynemascarenhas@gmail.com

Abstract

Sustainability encompasses 3 elements: *Economic, Social and Environmental. Sustainable development aims to reduce impacts of all three elements. Currently there are no. of tools and products that are sustainable and helps in improving their performances. LCA is used for assessing environmental impacts associated with all the faces of products life from cradle-to-grave (raw material extraction, manufacturing, distribution, use and end of life). Similar tools were developed to access economic and social impacts such as life cycle costing (LCC) and social – LCA (S-LCA)*

Keywords: *Economic, Sustainable Development, Social Impacts.*

Introduction

Sustainability reporting refers to the disclosure of non- financial performance information to the outsiders of the organization. In general, sustainability reporting means, dealing with information concerning environmental, social, economic and governance issues. These are the things under the term ESG i.e. (Environmental, social and corporate governance). Sustainability reports help companies in building consumer confidence and improve corporate reputations through social responsibility programs etc. An increasing number of firms are providing ways to develop sustainability reporting by taking initiative to guide companies and Organisations. ESG is nothing but making a difference for a business by creating a sustainable environment. It's all about creating a practical plan which is assured to come in action. ESG is important as it creates high value and sustainability, gives high global returns etc. ESG is defined as a triple-bottom-line approach. ESG stands for Environmental Social and Governance of an enterprise. Sometimes sustainability is said to be referred only to the environment. The United Nations 1987 Brundtland

Commission Report also noted that sustainability development is that development which meets the needs of the present without affecting the future. Therefore,

There are mainly three dimensions for sustainability:

(I) Environmental

(II) Economic

(III) Social-political

(I) Environmental: The environmental component recognises the interdependence of finite natural sources. Examples- Sunlight, Water, Air etc.

(II) Economic: This component defines the flow of human capital and manmade resources for better productivity. Example- organic farming, green and socio- economic enterprises, etc.

(III) Sociopolitical: This component refers to the relationship between human institutions, systems, and collective information. Example – human rights, empowerment, work life balance, fair labour practices, living conditions, health, safety, etc.

On Sept 25th, 2015, the international community had come together for the UN Sustainable Development to create a sustainability agenda for the next 15 years with an aim to end poverty, protect the planet and ensure prosperity.

Although their progress was made, by 2015 it became uneven. Therefore, a new development agenda has started that focuses on building a sustainability world where environmental sustainability, social execution, and economic development equal valued. Environmental accounts have been created to complement national financial accounts, by detailing the economic costs of natural resources. Environmental and social sustainability issues are not only a concern but are highly important because of their financial existence.

Supreme Audit Institutions have made some important contributions to sustainability reporting.

The purpose of this paper is to present public sector auditors with a useful analysis of sustainability reporting of the environment, social, climatically, etc.

History of Sustainability

The history of environmental pollution traces human dominated ecological systems from the earliest civilizations to the present day.

- This history is characterized by the increased regional success of a particular society, followed by crises that were resolved, producing sustainability or not leading to decline.
- In early human history, the use of fire and desire for specific foods may have altered the natural composition of plants and animal communities.
- Between 8000 to 12000 years ago, agrarian communities emerged which depended largely on their environment and the creation of , —structure of permanence‖.

- The western industrial revolution of the 18th to 19th centuries tapped into the vast growth potential of the energy in fossil fuels. Coals were used as fuel that were more efficient engines and later to generate electricity.
- Modern sanitation systems and advances in medicine protected large population from disease.

Pillars of Sustainability

- The term sustainability is broadly used to indicate programs, initiatives and actions aimed at the preservation of a particular resource.
- However, it actually refers to four distinct areas: human, social, economic and environmental are known as the four pillars of sustainability.
- Social sustainability has aimed to preserve social capital by investing and creating services that constitute the framework of our society. The concept accommodates a larger view of the world in relation to communities, cultures and globalization. It means to preserve future generations and to acknowledge that what we do can have an impact on others and on the world. Social sustainability focuses on maintaining and improving social quality with concepts such as cohesion, reciprocity and honesty and the importance of relationships amongst people. It can be encouraged and supported by laws, information and shared ideas of equality and rights. Social sustainability incorporates the idea of sustainable development as defined by the United Nations sustainable development goals. The principle of sustainable development addresses social and economic improvement that protects the environment and supports equality, and therefore the economy and society and the ecological system are mutually dependent (Diesendorf, 2000)."

The Four Pillars of Sustainability are as Follows

1. Human sustainability
2. Social sustainability
3. Economic sustainability
4. Environmental sustainability

Human Sustainability

Human sustainability helps to improve the human capital in the society.

- Natural resources and spaces available are limited. Therefore there is a need to balance continual growth with improvements to health and achieving economic well-being.

Human sustainability focuses on the importance of anyone directly and indirectly involved in making of products or provisions of services or broader stakeholders.

Social Sustainability

- Social sustainability aims to preserve social capital by investing and creating services that constitute the framework of our society. The concept accommodates a larger view of the world in relation to communities, culture, and globalisation.
- Social sustainability means to preserve future generations and to acknowledge our actions because everything we do will have an impact on the society.
- The principles of sustainability development address social and economic improvement that protects the environment and supports equality.

Economic Sustainability

- Economic sustainability aims to maintain the capital intact. If social sustainability focuses on improving social equality, economic sustainability aims to improve the standard of living.
- New economics is inclusive of all capitals and challenges the continual growth.

Environmental Sustainability

Environmental sustainability aims to improve human welfare through the protection of natural capital.

- Initiatives and programs are defined environmentally sustainability when they ensure that the needs of the pollution are met without the risk of compromising the needs of future generations.

Sustainability and CSR Ethics

Overview

1. Sustainability describes the ability to maintain various systems and processes – environmentally, socially, and economically-over time.
2. Corporate Social Responsibility, or CSR usually refers to a company's commitment to practice environmental and social sustainability and to be good stewards of the environmental and the social landscapes in which they operate.
3. Introducing the concepts that are basic to sustainability and CSR, determining what factors to favor in ethical decisions, the impact of intangible factors in ethical dilemmas, and best practices for developing ethical culture in organisations.
4. Approaches to CSR may vary. Some companies invest in CSR as reputation management or sustain the profitability of a company, and some invest in CSR out of a sense of moral obligation, to the society.

5. These resources focus on sustainability and CSR primarily in terms of moral obligation, and offer insight into ethics concepts relevant to economic sustainability, environmental sustainability and social equity.

Five Principles For Sustainability

1. The Green Star: Communities rating tool in one of the world's first independent national schemes able to measure and certify the sustainability of community level projects.
2. The framework aims to provide national consistency and a common language around the definition of best practice sustainability communities, encourage innovation and excellence in the approach to creating future communities, promote integration across the field of sustainability issues related to communities, facilitate stakeholders engagement during the evolution of sustainability communities and provide a basis for ongoing assessment and evaluation.
3. To assist communities in Australia and to meet a bright future, the Green Star Communities team established five principles :-

Enhance Live Ability

According to this principle communities should provide a diverse variety of buildings and facilities that reflect their broad socio-economic needs.

They should also provide access to local services such as transport, food, health, and conveniences.

Create Opportunities For Economic Prosperity

This principle highlights the importance of promoting education and learning, providing opportunities for the communities to access a variety of education and learning systems.

Foster Environmental Responsibility

This principle includes for promotion of environmentally efficient systems for water and waste management and reuse, sustainability energy generation and distribution and waste recycling.

Embrace Design Excellence

To ensure a community is sustainability, its design should consider density , mixed use buildings, connectivity and the protection of valuable land uses such as agriculture. Communities should also be able to adapt effectively to climate change and other environmental and physical conditions so that people comfort, health, safety and well – being are enhanced.

Demonstrate Visionary

1. Applying this principle, communities should foster sustainability cultures and behaviours, raise awareness among the stakeholders and provides education and

learning opportunities that enable more sustainability practices and encourage sustainability behaviours and systems for monitoring environmental data, etc.

Future Research and Possibilities

- Here is no such thing as business as usual. The corona virus crisis has shown that businesses can change dramatically in a matter of days.
- Business's role in society has changed even more dramatically over the last century.

  With these changes, corporate social responsibility (CSR) has evolved as well.

Today's State of CSR

Today's prevailing corporate social responsibility strategies took shape in the final decades of the 20th century.

- CSR took on a more formal role within corporations of the 1980s. Businesses began to earmark resources for dedicated CSR departments and leaders. Over time, executives began to understand that their companies should avoid isolating these departments.
- Leading companies have drawn on CSR principles to inform all manner of organisational decisions. Organisations have closely allied CSR with marketing, public relations, diversity and inclusion, and human resources. CSR plays a leading role in telling brands' stories and attracting top talent. More importantly, brands have leveraged CSR to orient their company's purpose and vision.
- Corporate social responsibility today reflects a global mindset. Consumers no longer expect major corporations to keep just their backyards clean. Fortune 500 companies have taken public stances on climate change and have adopted CSR practices that look up and down supply chains. Companies have embraced a globalising labour market with training and education programs that reach across borders to engage potential employees and younger generations.

1. The future holds exciting prospects for corporate social responsibility. Today's CSR trends and innovations suggest that CSR will play an increasingly important role in how companies approach business and engage communities.
2. With the black lives matter movement and other platforms that address historic inequities, companies have adopted forward-leaning approaches to social justice issues. Standard diversity programs will no longer meet stakeholder expectations. Harvard business review speculates that we are entering an era of corporate social justice.‖ HBR describes corporate social justice as a reframing of CSR that centers the focus of any initiative or program on the measurable, lived experiences of groups harmed and disadvantaged by society. Corporate social justice requires deep integration‖ with all of a business's core functions.
3. Customers and employees have similarly raised the bar with respect to sustainability. Leading sustainability practices have already shifted focus from minimising local harm

to reversing global climate change. Enterprising Organisations like trespass will help companies go from carbon-neutral to carbon-negative.

4. As with past eras, technology will continue to help corporate social responsibility evolve. Social distancing requirements have already required companies to innovate and adopt virtual volunteering initiatives. Many of these initiatives will likely remain in place well past the current crisis. Technology will also likely disrupt major industries and create worker dislocation. Leading companies will have an opportunity to address this dislocation through education and up skilling, creating value not only for their shareholders but also for society.

Research and Methodology

Content analysis research methodology was selected to address the research questions posed in the introduction. It is a systematic, demanding approach serving the purposes of quantitative, qualitative, and mixed methods of research. Although it is widely used in many disciplines including psychology, sociology, and political science, content analysis is currently applied in sustainability research. Moreover, argued that the rules of this inferential process vary with the theoretical and substantive interest of the investigator. Therefore, academic sources have been analyzed to obtain data from both papers and books. As already mentioned, the purpose of this paper is to highlight the impact of sustain- ability on business performance, including the banking sector. To that end, an extensive

- And thoughtful review was undertaken to retrieve the relevant literature, assessing journal.
- Articles, reports and other documents addressing the performance implications on business and banking institutions. Therefore, a consistent search through several databases was conducted. Google scholar was mostly utilized for narrowing down the articles referring to sustainable development, corporate sustainability and CSR.
- The results gave a pool of journal articles, books and reports at a global, European Union and national scales. After excluding the basic definitions and the non-financial reporting material, all documents were further listed in firm and bank related.
- Furthermore, specific key themes (environmental, social and governance (ESG) performance and financial performance) were used to assist the author for further analysis and consider-action of the sustainability implications. For banking institutions, a particular group of sources has been collected regarding the concept of sustainable banking around the world, including Greece.

Implications

- Despite the increasing level of interest in ESG and the ensuing performance of the committed firms, the focal point of business thinking has not been altruistic over time. As a matter of fact, the pursuit of profit is still the basic concern for corporations. To this aim, the corporate world has been engaged in numerous methods and practices of profit hunting.

- Since sustainability was considered as contributing to financial performance, Organisations began to incorporate ESG practices into their core business strategy, especially after the institutionalisation of reporting practices.
- According to freeman the nexus of various stakeholders constitutes the direct and indirect environment of a company, classified into shareholders, internal stake-holders external stakeholders (customers, suppliers, investors) and the overall society.
- Certainly, shareholder interests are not equal to all the other stakeholders. Permits shareholders to be directly involved in corporate strategy and decision-making having a prominent role on the board of directors.
- Proponents of CSR argue that shareholder primacy is totally incompatible with the principles of sustainable development and corporate social responsibility, setting profit maximization as the primary corporate priority. Hence, shareholder theory fails to meet all the other stakeholders' expectations.
- Underestimating the benefits of CSR commitment as intangible. Despite what the critics believe, CSR is considered to generate tangible profits for the committed companies, as discussed further below.
- Provided that sustainability performance is influenced by the national institutional environment where the firm operates, a primary stakeholder may exercise more or less pressure to a firm so as to implement CSR leading to higher or lower sustainability performance, accordingly.
- Furthermore, Support the positive relationship between CSR organizational performances, introducing the mediating factor of innovation, as an enhancing agent in a fertile institutional environment.
- Given that sustainability performance constitutes the realistic aspect of CSR implementation, special indices and measures have been employed. In any case, ESG performance should be evaluated by qualified executives at regular intervals, for reasons of reliability.
- Nevertheless, reporting both on tangible and intangible assets may provide diversified information about business ESG performance. To put it in another way, disclosures consisting of accountable items are expected to show lower ESG performance than the non- accountable. Although non-financial disclosures are deemed to reflect ESG performance, font etc.
- Contest sustainability reporting as an unreliable sustainability indicator, pointing out the gap between the disclosed and actual sustainability performance, in case of —Green washing practices. Moving from shareholder priority to stakeholder value, recalls Dunfee's theory of corporate purpose as an equilibrium point. To explore this issue further, scholars began to investigate the business case for ESG, proving that an ESG engaged company can reap financial benefits, through competitiveness.

- Thus, sustainability can trigger a feedback of financial returns. Consequently, it can be a real challenge for managers and researchers to make a firm attractive to sustainable banks and vice versa, launching win win liquidity strategies. However, sustainable banking needs to be further explored as it is quite a novel and comprehensive concept.

Conclusion

1. It is an evident that stakeholders realized their perception was not enough for evaluating CSR commitment. Therefore, an ever-increasing demand for more information, capable of displaying companies' commitment to the principles of sustainability has arisen.
2. Furthermore, eagerness for accountability and comparability led to a stream of reporting institutionalization, pressing for mandatory non-financial disclosures especially in countries like Greece.
3. Sustainability as an integral part of core business strategy evaluated by sustainability experts cannot but enhance business ESG and financial performance.
4. Considering sustainability reporting as one of the sine qua non institutional requirements, this paper taken a step further:
   - Sustainability integration is assumed to affect the performance of the most ESG committed Organisations, For example - banks.
   - Sustainable development also fosters the interdependence of commercial banks and firms. In particular, financing an ESG committed firm or cooperating with a socially responsible bank may contribute to economic, social, or environmental enhancement of the delegator.
   - This is a closed financial circuit in which sustainable banks can circulate sustainable money from socially responsible investors to ESG-committed companies and vice versa.
   - Thus, sustainability can trigger a feedback of financial returns. Consequently, it can be a real challenge for managers and researchers to make a firm attractive to sustainable banks and vice versa, launching win liquidity strategies. However, sustainable banking needs to be further explored as it is quite a novel and comprehensive concept.

Limitations to Sustainability

1. There is recognition that CSR reports are better at covering environmental issues than social ones and environmental reporting has been practiced by companies for longer than social reporting. Yet criticism of corporate reporting comes both from academics and mainstream Organisations such as the association of chartered certified accountant.
2. Despite the standardization of environmental reporting mentioned earlier, there is evidence that corporate reporting has provided stakeholders with relatively little useful data. A recent study that analyzed the links between corporate reporting and the

environmental performance of nine oil companies concluded that corporate reports have three key shortcomings.

- specific performance metrics are often absent
- the available data do not allow comparability between companies
- CSR commitments cannot be readily related to the environmental outcomes that are achieved or not achieved.

3. Even among the sustainability 'leaders' in the oil and gas sector such as BP and shell, it was not possible to systematically compare the environmental performance between companies. Companies sometimes measure different things and sometimes use different units of measurement for the same environmental indicators.
4. Furthermore, while companies provided macro-level data, they often failed to provide data on specific locations. In the words of Andy Gouldson and Rory Sullivan, 'even the leading companies in the sector examined rarely disclosed site-level data and, where they did so, these data were not provided on a consistent basis or in a common format.
5. Most worryingly, while environmental indicators such as emissions levels are reported by companies, there is almost no emphasis on the actual impact on the natural and human environment. The study by Gouldson and Sullivan concluded:
6. Within the corporate and site level reports, little or no reference was made to key outcomes such as levels of local air quality or the health of local populations.
7. The focus on emissions rather than, for example, local air quality, also meant that it was impossible to evaluate social or environmental outcomes at the local level, thereby restricting the ability of stakeholders to make informed decisions or to focus their engagement with the companies on individual sites or on particular aspects of their performance.
8. Therefore, we know how companies such as shell or bp are improving their overall environmental performance and whether they achieve their own target, but there are no systematic attempts to measure the actual impact of oil operations on air quality, water quality or the health of local communities.
9. The local stakeholders - for instance, the local residents who live near an oil refinery or a drilling rig - are not provided with the specific information that is most vital to them.
10. While companies such as shell and BP provide at least some tangible data on their environmental performance, the quality of reporting by some companies is highly superficial.

18

Green Finance

Mishal Dash
SNBP College of Arts Commerce Science and Management Studies, Pimpri, Pune.
Email: mishal.dash@yahoo.com

Abstract

Green finance refers to the financial arrangement that is specific to the use for projects that are environmentally sustainable or projects that adopt the aspects of climate change. Environmentally sustainable projects include the production of energy from renewable sources like solar, wind, biogas, etc.; clean transportation that involves lower greenhouse gas emission; energy efficient projects like green building; waste management that includes recycling, efficient disposal and conversion to energy, etc. Moreover, project defined sustainable under the disclosure requirement for Green Debt Securities include climate change adaptation, sustainable waste and water managements, and sustainable land use including sustainable forestry and agriculture, and biodiversity conservation (SEBI 2017). In order to meet the financial needs for these types of projects, new financial instruments such as green bonds; carbon market instruments (e.g. carbon tax); and new financial institutions (e.g. green funds) are being established. They together constitute green finance.

Keywords: *Green, Financing, Banking*

Introduction

In green finance, we often see investments in "junior equity", which normally refers to the common stock in a company. In the event of liquidation, the company would pay out preferred stockholders before holders of junior equity. On the other hand, holders of company bonds are paid before holders of preferred stock. The GEF invests money in junior equity to absorb some of the risk for other (private) equity investors. Essentially, when they see investments in junior equity, other equity investors are attracted to purchase preferred stock. This ensures they have first claim on distribution of profit and reduces their risk. Debt financing is typically used at later stages of development and often in combination with equity. In debt financing, investors lend money to borrowers, who pay back this amount (the principal) with interest under For more information on debt and equity instruments, their main features and use in climate financing, see UNEP (2014) Demystifying Private Climate Finance. strict conditions. If a company liquidates its assets, debt has higher priority than, or is "senior" to, equity. In other words, a company must meet its obligations to creditors (those who lent the money) before it pays those who borrowed money to invest in equity. As a result, more senior debt has a greater level of security, which allows for a lower interest payment than more junior security (also known as subordinated debt).Debt financing can come from a lender's loan or from selling bonds to the public. While a loan is a transfer of money from a bank to a company/individual, a bond is a transfer of money from the public/market to a company that issues a bond. Unlike loans provided through bank debt, bonds traded on public debt markets tend to involve larger amounts of capital (typically US$100 million and above) and are open to the general public for investments. Bonds in the green finance field have been targeted more at qualified investors. However, certain types of notes (e.g. promissory or structured notes) have also been made accessible and affordable to retail investors because they require less upfront investment. How much debt, and how much equity are right for a project or a company, varies by industry. Fast-growth fields with potential for high returns, such as software and biotech, attract equity investors more easily. Those companies also often have intangible assets and uncertain cash flow. This makes it difficult to forecast debt repayment schedules and conditions. As a result, they are often unable to borrow at workable rates. Debt investments typically involve less risk than equity investments.

Consequently, they also typically offer a lower potential return on investment. Debt and equity funds are investment vehicles of choice in environmentally related finance. This is because they enable project and cash flow to aggregate into one common investment vehicle. This vehicle combines several projects that may have a different focus, such as land use, forestry and agriculture. Whatever their focus, they have the same level of maturity (either early stage development, proven concept or mature). However, they use distinct scaling and risk mitigation strategies. Finally, funds typically allow for risk diversification among projects/investments.

Mainstream investors are usually more familiar with their structure, and thus more comfortable investing in them.

Literature Review

Among the most popular term in today's business environment is green finance. However, varied in definitions, green finance refers to investment in companies whose activities, products, and services are eco-friendly. Despite shreds of evidence linking ambiguous impacts of corporate greenness to shareholders, an increasing trend of public awareness regarding corporate social responsibility is observed across the globe, with shareholders and investors linking this new phenomenon as fundamental towards sustainable development. This research article provides a mini-review of existing literature on green finance drawn from multiple sources. The results are then synthesized and summarized with appropriate conclusions. The study analyzed 17 journal articles and summarized them in two tables as indicated herein. In the first table, the researchers analyzed information on the journal articles concerning title, authors, publishers, and year of publication. The succeeding table is a summary of the contents of the articles; objectives, findings, and recommendations. The study revealed the adoption of green finances across different sectors in compliance with the Paris Agreement towards sustainable development. Also, financial institutions are at the forefront of promoting green finance, offering incentives to entities willing to disclose this concept in their yearly financial publications. Lastly, despite investors being optimistic about this new phenomenon, the study revealed barriers and constraints towards implementing green finance among stakeholders.

Research Methodology

This is the exploratory research where the existing literature available on green finance has been reviewed so that new research direction in this area can be enlightened.

Various researchers are in development on 'The exceptional elements of green finance'. However a speedy increase has been visualized these days. Some big contributions undergo weight and appear valuable among all. Some of the research papers of various authors are in brief concluded that green finance practice provides a way to understand the vision of environmental conservation in nowadays' environmental degrading situations.

Bielinski and Mosionek *et al.*, (2019) concluded that regardless the fact that EU leads the world's shift towards sustainable economy, there is much more investment needed in the sector such as renovation and energy efficient building, renewable energy generation and transmission and low carbon transportation. They further explained that private sector can become the major source financing for pre-environmental policies.

Novkovska (2019) contributed this work towards the fields of hidden economy and green economy. The author demonstrated that relative efficiency of the hidden economy with respect to the regular economy fluctuates in large interval, means that there are significant differences between the both the economies. Simultaneously, the author found that the high extent of hidden economy is connected with low energy efficiency, which suggested that the policies which aim at reduction of hidden economy and that of increase of the energy efficiency have to be established and further developed in coordinated manner.

Sudhalakhmi and Chinnadori (2014) explained that Green finance is a core part of low carbon green growth because it connects the financial industry, environmental improvement and economic growth.

Nath and Nayak *et al.*, (2014) described that Green banks are the at the start - up mode in India. They should expand the use of environmental information in their business operation, credit extension and investment decision. This endeavor will help them to improve environmental performance and creating long term value for their business.

Shipochka (2013) concluded that personal values and beliefs are deciding factor for green investors when investment is considered because the idea behind green investments is based on some personal values and beliefs. The author further said that the future prices of the energy will not be cheaper because it involves some cost of capital which may higher from the traditional source of energy. The author also explained that green investment is not a bubble because this sector has long term sustainability and it is an alternative source of supply.

Analysis

After critical analysis of the previous studies it can be said that a tremendous work has done in the field of green finance. Some said that green finance is an emerging form of sustainable development (Hoshen and Hasan *et al.*, 2017). While some said that Green finance is a phenomenon that mixes the world of finance and commercial enterprise with environmentally pleasant behavior. It is an arena for lots participants, consisting of man or woman and enterprise clients, manufacturers, traders, and monetary creditors. Green finance can be expressed otherwise depending at the player, and it is able to be led by using monetary incentive.

Green finance development, which enhances innovation capacity and economic green transformation, helps people deal with the challenges of climate change, ecological crisis and energy security. It is important to achieve sustainable and balanced development for green finance. In this paper, an evolutionary game model is built with four participants, which include governments, financial institutions, enterprises, and consumers. Analogue simulation is applied to analyze the influences of each parameter on changes and development in green financial market. Equilibrium strategy and influence mechanism of participating entities are investigated. The result shows that: first, the integrity of the green financial system has a positive impact on sustainability developments and cleaner production. Second, it is critical to strengthen the government regulation, slash financial institutions and enterprises' green finance production cost, increase the compensation for consumer pollution, and reduce the supervision cost of government. Accordingly, to integrity green financial system, governments, financial institutions, enterprises, and consumers needs participation and cooperation among each other.

Implication

Green finance is a mechanism with which to provide financial support for green projects, promote technological progress, and facilitate the green and sustainable development of the economy. Therefore, it is an important driving force of green economic growth and structural transformation. The development of green finance is a strategic move to promote the upgrading of industrial structure, achieve green development, and accelerate ecological civilization. In this study, based on data from the period of 2008–2020, the gray correlation method was used to empirically test the relationship between green finance and the upgrading of industrial structure in China. For this purpose, the system GMM model was used to determine the direction and the impact degree of green finance on the upgrading of industrial structure. The results show that the correlation between green finance and output value is highest in the tertiary industry, followed by the primary and secondary industries. Thus, China's green finance has the strongest effect on the tertiary industry and will lead to its rapid development, promoting the upgrading of industrial structure. The regression coefficients of human capital, R&D innovation capability, degree of openness, government expenditure level, and urbanization level are all positive, indicating that enhancing these elements can significantly promote the upgrading of industrial structure. The effects of green finance on the upgrading of industrial structure differ among the east, central, and west regions; these significant regional differences reflect an unbalanced state. The regression coefficient of the eastern region is relatively large and is significantly higher than that of the central and western regions, but they all indicate significant positive effects. Finally, based on the results of empirical analysis, this paper explores green finance policy measures, such as improving the development of green technology innovation, strengthening foreign exchange and cooperation in green finance, training green finance professionals, and implementing green finance infrastructure.

Conclusion

Green finance is fast emerging as a priority for public policy. In this study we review the developments of green finance in India and our findings indicate that there have been some improvements in public awareness and financing options in India in recent years. Existing literature suggests that a reduction in the asymmetric information regarding Green Projects through better information management systems and increased coordination amongst stakeholders could pave the way towards sustainable long term economic growth.

At this juncture, the world is fighting COVID-19 and its impact on global economic growth. Undoubtedly, the immediate policy challenge is to kick-start the global economy. However, the pandemic has also offered an opportunity to all stakeholders to rethink about the policies, and financial and operational strategies that they have adopted so far and espouse an approach that is more environmentally sustainable in the long run. Green finance is definitely an important mean that can facilitate such a shift towards sustainable economic growth.

A lot of work has been done by different actors to support and measure green finance. The analysis presented in this report proves that it is possible to roughly estimate green finance flows through private financial institutions. However, it also highlights that additional work is needed to make green finance more accountable and visible.

A better understanding of the current status of green finance will allow for a thorough analysis against policy targets, with implications for multinational organizations, national governments and regulators, the private financial sector, data providers, and standard setters. The next steps outlined below set out specific action points for each stakeholder group to improve the tracking, and thereby the shaping, of green finance.

Limitations

Even taking into account the wide range of estimates of the financing needs of green investments, public financial sources will be insufficient to finance the green trans-formation.

Hence, a significant amount of private capital is needed. However, private green finance is still scarce due to a range of microeconomic challenges, including problems in internalizing environmental externalities, information asymmetry (e.g., between investors and recipients), inadequate analytical capacity of issuers and investors, a lack of generally accepted green definitions and maturity mismatch (G20, 2016). The unclear definition of green finance leaves room for "green-washing", with issuers of "green assets ", for example, making misleading claims about the environmentally friendly nature of their assets .

IFIs can support the green transformation in three specific ways. First, they have a pioneering role in testing new ways of financing sustainable development: voluntary commitments to take climate risks and the carbon footprint of potential investments into account when making investment decisions by using the notional "shadow prices" of carbon. Second, IFIs have an important role to play in the mobilization and rechanneling of private and institutional capital for green investments by the provision of innovative instruments such as green bonds. Finally, IFIs are predestined to build a coalition of green financiers with the aim of reforming global financial governance to become supportive of sustainable development (Lindenberg, 2016).

Since the IFIs often have different objectives and instruments, one main challenge is to apply the same definition for green finance in order to prevent green washing.

Future Research Possibilities and References

Assessing the sustainability of sustainable finance and rewards of impact investing is difficult. Investors also often demand non-financial performance metrics for such investments, with carbon footprints, exposure metrics, and ESG ratings gaining popularity despite their inherent limitations and shortcomings (Popescu *et al.*, 2021). Dorfleitner *et al.*, (2021) found most of socially responsible funds in the United States to be marred by persistent ESG controversies, which have led to calls by scholars such as Quatrini (2021) for mechanisms and strategies to address the existing flaws in the assessment of sustainable investments, which is both important and urgent to accelerate the world's recovery from the aftermath of the devastating effects of the COVID-19 pandemic on the progress of sustainability (United Nations, 2021). Therefore, we encourage future research to pursue three research questions that should make sustainable finance more sustainable:

- To what extent does investing in sustainable funds lead to sustainable returns, and how can it be improved or sustained?
- To what extent does sustainable finance enable firms to avoid controversy related to ESG, and how can it be improved or sustained?
- To what extent are sustainable funds sustainable before, during, and after crises such as the COVID-19 pandemic?

Devising and Unifying Policies and Frameworks for Sustainable Finance

Regulators and financial institutions are pushing forth the sustainable finance agenda to attain the SDGs across markets (Dikau & Volz, 2021; Elavarasan *et al.*, 2021; Taghizadeh-Hesary & Yoshino, 2019). Past research has indicated that the integration of green financial systems in traditional financial system can lead to sustainability controls and cleaner production (Ng, 2018), and that the incorporation of green governance structures can assist in lower financing constraints (Li *et al.*, 2020), which suggest that regulators and financial institutions need to set up sustainability performance policies and frameworks (Jan *et al.*, 2021). Yet, myriad policies and frameworks exist within and across markets, wherein such inconsistencies or noncomplementariness can hinder the potential of sustainable finance. Hence, it is important to understand the role of regulators and financial institutions in sustainable finance, and crucial to that understanding is the development and unifying of policies and frameworks that communicates a common and mutual language, which are noteworthy directions for future research that we summarized through the following research questions:

- What is the role and impact of regulators and financial institutions on sustainable finance (e.g., availability and performance of sustainable funds and instruments)?
- How can policies and frameworks for sustainable finance are developed and unified within and across markets?

Tackling green washing of corporate sustainability reporting in sustainable finance While earlier studies focused on the positive signals of ESG and impact investing on firm performance and concluded strong evidences of higher financial performance (Garcia *et al.*, 2017; Rezaee & Tuo, 2017), recent studies have started questioning the quality of corporate sustainability reporting metrics and provided strong evidences of green washing of sustainability reports across markets (Arouri *et al.*, 2021; Chen & Yang, 2020; Huang, 2020; Yu *et al.*, 2020), with few studies rejecting green washing tendency of firms across sectors and markets (Uyar *et al.*, 2020). Government regulations in the form of penalties and tax subsidies have nonetheless been evidenced to be effective to mitigate green washing in China (Sun & Zhang, 2019).

Nonetheless, the evidence that avail remains inconclusive and limited, thereby suggesting potential for future research, especially across markets. Therefore, we propose the following research questions for future undertaking:

- To what extent do firms engage in green washing of sustainability reports, and how can this be discouraged or mitigated?
- To what extent do firms engage in sustainable finance to manipulate traditional financial performance measures, and how can this be discouraged or mitigated?
- To what extent do firms engage in earnings manipulation with funds from sustainable financing, and how can this be discouraged or mitigated?
- In which markets do green washing of sustainability reports more or less prominent, and what can we learn from the latter and to what extent will it work for the former?

Shining behavioral Finance on Sustainable Finance

In the American and European stock markets, socially responsible investing is associated with large firms and abnormal returns (Mollet & Ziegler, 2014), with many socially responsible investors willing to forgo financial performance to pursue ethical or social objectives (Renneboog *et al.*, 2008). Most scholars focus on the comparative performance between socially responsible funds and traditional funds along with associated screening and evaluation criteria (Chatzitheodorou *et al.*, 2019), with studies showing better performance of socially responsible funds over traditional funds (Pedersen *et al.*, 2020), higher market-to-book ratios and higher return on assets for socially responsible investors (Dam & Scholtens, 2015), and an opportunity to reduce systematic risk for investors (Cerqueti, 2021; Behl *et al.*, 2021). However, little is known about the actual perceptions and behaviors toward sustainable finance, including that of and beyond socially responsible investing, which may be due to the lack of quantitative and survey social science-oriented research in sustainable finance. This is particular important given that the outperformance of sustainable finance may not necessarily continue in the long run due to the external shocks such as the COVID-19 pandemic, the increasing awareness of green washing of sustainability reports, and the overpricing such stocks (Bofinger, 2021). In this regard, we call for additional research that seeks to shine a behavioral finance light in this direction through the following research questions:

- How do investors benefit from sustainable finance?
- How do investors perceive sustainable finance?
- What is the role of personality and behavioral biases of investors while selecting impact investing-based funds over conventional funds?

Leveraging the Power of New-age Technologies for Sustainable Finance

Last by not least, in our final reflection of this review, we stumbled upon the greatly astonishing state of sustainable finance, wherein the application and discussion of new-age technologies in sustainable finance research is almost virtually non-existent despite its omnipresence in other fields such as business sustainability (Sivarajah *et el.,* 2020), sustainable automotive (Kamble *et al.,* 2021) and humanitarian supply chain (Bag *et al.,* 2020), sustainable logistics service quality (Gupta *et al.,* 2021), and sustainability marketing (Bolton, 2021). In essence, new-age technologies refer to new technologies that emerge as new industrial revolutions surface, with technologies such as artificial intelligence, blockchain, internet of things, and machine learning being born out of the recent fourth industrial revolution (IR4.0) (Gupta *et al.,* 2020).

Note worthily, IR4.0 is characterized as an era of digital transformation, which holds great potential for sustainability (Roblek *et al.,* 2020). In fact, new solutions to get the world's progress on sustainability back on track has never been greater given that the COVID-19 pandemic has reversed years of existing progress (United Nations, 2021), and we opine that future research that explains how new-age technologies can be applied to sustainable finance can make significant contributions to the world's recovery and prosperity in the post-pandemic era, a contention that is supported by the central role that finance plays in funding digital transformation (Akter *et al.,* 2020) and sustainability endeavors Cunha *et al.,* (2021). In this regard, we call for new research that deliberately ignites and proliferates insights on the application of new-age technologies for sustainable finance through the following research questions:

- How can artificial intelligence and machine learning be applied to screen credit applicants and monitor credit users of sustainable financing (e.g., financial distress prediction, credit scoring, corporate insolvency prediction, credit card anomalies detection, fraudulent financial statement detection)?
- How can block chain and machine learning be applied to track and flag impact concerns or successes in the activities of sustainable financing (e.g., carbon, climate, and energy financing) on sustainability goals (e.g., SDGs)?

- How can big data analytics and machine learning be applied to acquire knowledge about public sentiments about sustainability issues, and how can sustainable finance providers automate the incorporation of that knowledge in the evaluation and provision of sustainable financing using sustainable alternatives powered by new-age technologies such as artificial intelligence and cloud computing?
- How can cyber security and machine learning be applied to create a safe, secure, and trusted marketplace for sustainable finance?
- How can machine learning be developed and deployed in ways that detect and prevent algorithmic bias for sustainable finance?
- How can new-age technologies such as artificial intelligence, block chain, big data analytics, cloud computing, and machine learning be integrated in tandem with cyber security to achieve operational and impact excellence for sustainable finance, and how can the enablers and barriers to this integration be leveraged and resolved, respectively?
- How can firms leverage on new-age technologies such as artificial intelligence, block chain, big data analytics, cloud computing, and machine learning develop or adapt sustainable financing operations and instruments in innovative, smart, and agile ways?

References

1. Book
2. News Papers
3. Interviews
4. Survey
5. Magazines

※※※

05

Sustainable Global Economic Growth

Ms. Ruchira Pawar
Department of Commerce,
SNBP College of Arts Commerce Science &
Management Studies, Pimpri Pune.
Email: ruchirapawar91@gmail.com

Abstract

The Global Economy refers to the interconnected world-wide economic activities that take place between multiple countries. Despite the challenge of pandemic related disruption, the global economy is exhibiting strong overall demand. Industrial growth can be measured in almost all surveyed countries and the Eurozone. Unemployment is falling and world trade has effectively recovered to pre-pandemic levels. The main economic challenges are supply chain bottlenecks & rising inflation reflected in Covid pandemic.

Keywords: *Disruption, Eurozone, Pre-pandemic, Unemployment*

Introduction

The world economy or the globally economy is the economy of all humans of the world, referring to the global economic system which includes all economic activities which are conducted both within and between nations, including production, consumptions, economic management, work in general, exchange of financial values and trade of goods and services. In some contexts, the two terms are distinct international' or 'global economy' being measured separately and distinguished from national economies while the 'world economy' being simply an aggregate of separate economy. Beyond the minimum standard concerning value in production, use and exchange, the definitions, representation, models and valuations of the world economy vary widely. It is inseparable from the geography and ecology of planet Earth.

A global economy is an economic interdependence established between the most influential countries that drives the world-wide economic environment. The problem like global imbalance, global health crisis and conflict and poverty leads to serious damage or to economy, to finance and also impact on unemployment. So, in order to deal with these problems, we should adopt some technic which will help to grow economy globally.

The aim of the study of this theme is to analyse the competitiveness between countries in various markets raising productivity and efficiency across countries, helping in the development of underdevelopment countries by allowing them import and export goods and service. To bring the all nation together for business which create employment and to increase efficiency of global economy.

Review of Literature

The world Economy can be evaluated and expressed in many more ways. It is unclear for example, how many of the world's 7.8 billion people have most of their Economic activity reflect in these valuations. Rather market valuation in a local currency is typically translated to single monetary units using the idea of purchasing power. This is the method used below which is used for estimating world-wide Economy activities in terms of real United States dollars or euros.

According to Madison, unit the middle of 19th century, global output was dominated by China and India. Waves of industrial revolution in the western Europe and north America shift the share to western hemisphere. As of 2021 the following 17 countries or collective have reached an economy of a least US$ 2 trillion by GDP in nominal or PPP terms; Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, south Korea, Mexico, Spain, turkey, United Kingdom and United States and the European Union.

For the perspective, economic activities are embedded in a web of dynamic, interrelated and interdependence activities that constitute the natural system of the earth. Novel application of cybernetic in decision making and direction of human activity may make it easier to control modern ecological problems. Global economic prospect in a World Bank group flagship report that examines the global economic developments and prospect with a special focus on emerging markets and developing Economies. It is issued twice a year, in January and June. The January edition includes in depth analysis of topical policy challenge while the June edition contains shorter analytical pieces. commodity markets outlook is now released as its own report, also contain in this collection.

Commodity prices continued to recovery in the first quarter of 2021 from low reached in 2020, supported by the global economy recovery, improvement in growth prospects and supply factors specific to crude oil, copper and some food commodities, looking ahead to oil prices are forecast to average $ 56/billion in 2021, 36 percent higher than in 2020 and see a further rise to $ 60/bbl. in 2022 as demand continue to recover it.

Indian Perspectives

According to the international monetary fund in per capital income basis, India ranked 145th by GDP and 122th by GDP from independence in 1947 until 1991, successive governments promoted protectionist Economic policy with extensive state intervention and Economic regulation. This is characterized as dirigisme, in the form of license Raj. The end of the cold war and an acute balance of payment crises in 1991 led to the adoption of the board Economic liberalization in India. Historically, India was the largest economy in the world for the most of the two millennia from the 1^{st} unit the 19^{th} century.

Since the start of the 21^{st} century, annual average GDP growth has been 6% to 7% and from 2013 to 2018, India was the world's fastest growing major economy, surpassing China. The Economy of India is characterized as middle-income developing market. Indian economy is the world 6^{th} largest Economy by nominal GDP and third largest by purchasing power parity.

It is common to limit questions of the world economy exclusively of human economic activity and the world economy is typically judged in monetary terms, even in cases in which there is no efficient market to help valuable certain goods or services or in cases in which a lack of independent research, genuine data or government co-operation makes establishing figures difficult. Typical examples are illegal drugs and other black-market goods, which by standard are a part of the world economy, but for which there is by definition no legal market of any kind. However ever in case in which there is a clear and efficient market to establish a monetary value, economists do not typically use of the current or official exchange rate of translate the monetary units of this market into a single unit of the world economy since exchange rates typically do not closely reflect world-wide value, for example in case where the volume or price of transactions is closely regulated by the government.

Conclusion

The world economy is experiencing a very strong but developing Economies facing obstacle to vaccination. The global outlook remains uncertain, with the major risks around the path of the pandemic and the possibility of financial stress amid large debt loans. Policy makers face a difficult balancing act as they seek to nurture the recovery while safeguarding price.

To grow economy globally balanced. We should help the underdeveloped nations. Teach them about importance of economy, we provide them financial and can expand business in their countries. To deal with global economic health, conflict and poverty. If we provide or develop good medical facilities we can deal with health crisis. Now to deal with conflicts and poverty, firstly we should educate them and sought out the problem with neighboring nations and provides them employment. Therefore, the global economy affects everyone in the world. It creates jobs, status, and per-capita income and provides people with all of the resources they need.

References

1. Business and Economies https://uottawa.libguides.com/c.php?g=265009&p=1770696
2. Econometrics. https://libraryguides.mta.ca/economics/reference
3. Environmental Econometrics
   https://uottawa.libguides.com/c.php?g=265009&p=1770696
4. American Economic History. (3Vols.) https://libraryguides.mta.ca/economics/reference

※※※

06

An Overview of Sustainable Investing

Omkar Shete
SYBBA, SNBP College of ACS & MS,
Morwadi, Pimpri, Pune.
Email: omkar0492@gmail.com

Meghana Mane
SNBP College of ACS & MS,
Morwadi, Pimpri, Pune
Email: meghamadhale@gmail.com

Abstract

Sustainable investing is about investing in progress, and recognizing that companies solving the world's biggest challenges can be best positioned to grow. It is about pioneering better ways of doing business, and creating the momentum to encourage more and more people to opt in to the future we're working to create. Through the combination of traditional investment approaches with environmental, social and governance (ESG) insights, investors ranging from global institutions to individuals are taking a sustainable approach to pursuing their investment goals.

Keywords: *ESG Insight, Value-based investing, ETF*

Introduction

Sustainable investing, also called socially responsible investing or ESG investing, is a means of investing in which an investor strongly considers environmental, social, and corporate governance (ESG) factors before contributing money and resources to a particular company or venture. The goal is to, whenever possible; use investment dollars to promote positive societal impact, corporate responsibility, and long-term financial return.

Sustainable investing ensures that firms aren't judged solely on short-term financial gains but on a broader picture of what and how they contribute to society at large.

Sustainable investing is the practice of making capital allocation decisions based on socially responsible and ethical strategies to ensure that portfolio companies maintain a high standard of Sustainability principles. Investing through ESG (Environmental, Social, and Governance) principles constitute part of sustainable investing and have become increasingly popular over the years.

Investors want to do their part in growing their capital with companies that take a long-term view of how their practices affect the environment and the world they operate in. Sustainable investing using the framework of ESG investing is helping to facilitate a new frontier for investors. It provides a choice in the marketplace with an increasingly attractive option for investors to grow their wealth or personally involve themselves in the push towards sustainable business practices.

- **Values-Based Investing**

Sustainable investing comes in many forms. Whether it is the purchase of a stock of a company that manufactures solar panels or biofuel or whether one is participating in a community loan fund, there are different methods of sustainable investing.

At its core is the desire to use money to bring about social change and good. The investor wishes to advance environmental, social, or governance principles, as they see value in bringing about positive change.

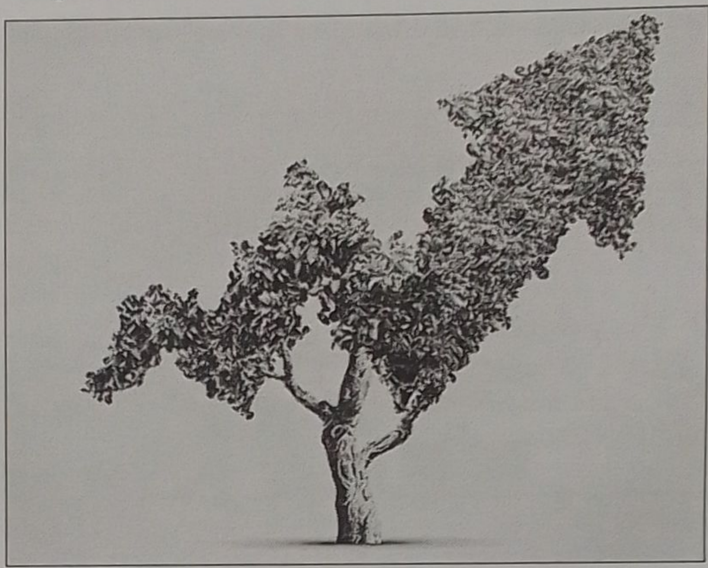
Below are some of the different types of sustainable investors in the marketplace: Development banks that serve lower-income communities

- Pension plans that support environmentally-conscious
- corporations Religious institutions
- Non-profit foundations
- Socially-conscious individuals

Why is Sustainable Investing Important?

It's important to become familiar with sustainable investing practices, so you can determine where—and if—you want to invest based on your values and investing trends. Some investors, for example, are facing increased pressure by asset owners to focus on sustainability, just as companies are being encouraged to become more sustainable.

Sustainable investing doesn't necessarily mean that you must forfeit financial returns. While it's impossible to guarantee returns, ESG funds and investments can perform just as well, or better, as non-ESG funds. In 2020, 14 of 17 ESG-focused exchange-traded funds (ETFs) outperformed the S&P 500 from January to May. Meanwhile, according to Morningstar, 23 new ESG funds launched in the past year, providing investors with more sustainable choices and indirectly encouraging companies to reevaluate their ESG scores in order to be included.



Sustainable Investing Strategies

Several strategies can be pursued when it comes to investing sustainably.

You might specifically avoid investing in companies or industries you know conflict with your moral values or causes you care about deeply. For example, individuals who care strongly about global warming may choose not to invest in oil and gas companies, while those concerned with health may choose not to invest in tobacco companies.

Alternatively, you can actively seek out companies and industries that do align with your values. Individuals concerned with global warming may instead choose to invest in the clean energy sector.

While individual investors may perform a basic initial analysis of companies, professional analysts or fund managers will often rate stocks, exchange-traded funds (ETFs), and mutual funds by their ESG scores. This number provides a quick snapshot to see where a potential investment stands on sustainability issues.

Fig. 6.1: Drivers of Sustainable Investment

ESG Factors

An investment's sustainability impact is evaluated using environmental, social, and governance (ESG) factors. Here's a breakdown of what an ESG score typically consists of:

1. **Environmental:** This category considers the impact a company has on the environment, such as its carbon footprint, waste, water use and conservation, and clean technology it uses and creates in its supply chain.
2. **Social:** This refers to the social impact an individual company or fund has within society and how it advocates for social good and changes within the broader community. Analysts look closely at a company's involvement and stances on social issues such as human rights, racial diversity within hiring and inclusion programs, the health and safety of its employees and board members, and community engagement
3. **Governance:** Governance deals with how an ETF or company is managed, or "governed," for driving positive change. It encompasses reviewing the quality of management and the board, executive compensation and diversity, shareholder rights, overall transparency and disclosure, anti-corruption, and even corporate political contributions.

Selecting Sustainable Investments

If you're looking to make some ESG-based investments, you'll first need to do some research.

To get started, many analysts and organizations publish annual "best of" lists for top-rated ESG stocks, which can help you identify potential investments that fit your strategy. You can also opt for funds instead to avoid choosing your investments manually. It's common to find ESG-centric funds from brokerages by searching "ESG" in their screening tools.

If you'd prefer a more guided and slightly less DIY investing approach, look into robo-advisors that offer sustainable investment portfolios. Just be aware that ESG guidelines can vary between advisors and that there can be fees associated with automated investing.

An alternative strategy is to work with an ESG financial advisor, who can consider and incorporate your entire financial portfolio and personal goals into your investment accounts.

Although slightly more expensive, you might benefit from having tailored investment strategies and a professional managing your investments.

The Future of Sustainable Investing

As more investors become attuned to how their investment dollars can further or hinder the causes they care about, sustainable investing is likely to become increasingly popular. Likewise, organizations seeking to attract investment dollars and positive PR will be pressured to improve their ESG scores.

Whether you're an individual investor who wants to make more informed decisions or a business leader within an organization or industry concerned with sustainability, completing an online course focused on sustainable business strategy can be an efficient means of quickly gaining the knowledge and skills you need for success.

Conclusion

If appropriately designed, taxonomies can play a useful role in the architecture of countries financial systems, in order to channel and accelerate sustainable investment flows. In terms of common principles and metrics, keeping in mind the specific features of the EU taxonomy, similarities exist between the official definitions of sustainable finance scoped in this report.

References

1. **Article on Sustainable investing:** Establishing long-term value and performance by M Fulton, B Kahn, C Sharples
2. **Sustainable Investing:** Beating the Market with ESG Hardcover by Hanna Silvola,Tiina Landau
3. www.investopedia.com

※※※

07

Value Creation

Kusum Chauhan
TY B.Com, Department of Commerce SNBP
College of Arts Commerce Science & Management
Studies, Pimpri, Pune.
Email: ckusum784@gmail.com

Abstract

The confusion around the concept of "value creation" and "value capture" in strategic management depends on different facets that this topic involved over time and according to different streams of research. In order to go deeply into the topic, it is necessary to take into account the literature developed on the issue, which is however fragmented in terms of different focuses of analysis, even if rich of different approaches and disciplines. It is therefore interesting to analyse the different perspectives, in order to get to a more integrated view.

Keywords: *Value Creation, Value Capture, Generation of Rent.*

Introduction

The sources and the contents of value creation may vary according to the different "targets or users for whom value can be created" (Lepak et at., 2007).

Since value is a latent variable (Bentler, 1992) in terms of analysis, it has been dealt according to different perspectives over time, giving emphasis to financial performance (Bebchuk and Fried, 2003) rather than to competitive (Porter, 1985) or social aspects (Blyler and Coff, 2003). Therefore, the proposed concept of value regards not only financial performance but also market competitiveness, human resources involvement and commitment (talents advantages and loyalty - Gibb, 2003) and reputation (brand and image).

Entering into the discussion, Andersen (2011) explains that "generation of rent, referring to the profit that exceeds the average return in the industry", from a strategic resource can be appropriated by different stakeholders, both internal (Coff, 1999) and external (lavie, 2006). Bowman and Ambrosini (2010) argue that "value means different things to different stakeholders".

The current debate on "value creation" has in fact focused more on the external stakeholders of the firm rather than on the internal ones, since a large body of literature considers customers, suppliers and investors as units of analysis for value appropriation (Bowman and Ambrosini, 2010; Mizik and Jacobson, 2003). A limited number of contributions has addressed the issue of value creation with an internal focus (Coff, 1999; Holcomb et al., 2009). Indeed, value creation is often described as a process enacted by individuals. Felin and Hesterly (2007) argue that the individual level is the starting point for the value creation process; other contributions identify the strategic role of managers in this process (Kor and Mahoney, 2004) as they represent the "agent of the firm's owners" (Bowman and Swart, 2007). According to these perspectives, managers may, on one side, accelerate knowledge creation and, on the other, show an entrepreneurial profile, being able to catch external opportunities (Alvarez and Barney, 2002). These aspects concern rent generation within the firm as its human resources create value in terms of competitive advantage. In spite of the theoretical contributions on the topic, as it will be analysed in this paper, the issue appears still open and needful of practical applications.

Literature Review

The purpose of a literature review is to look at what has been done and use that information to design new research on the "blank spots or blind spots" - the things that might be missing or the things we don't see. Below is some extracts from an example of a very short literature review for an undergraduate assignment. As you progress into Honours, Masters or a Higher Degree by Research, you will be expected to write much longer and more detailed reviews.

Research Method

Content Analysis

Content analysis, a method which can be used qualitatively or quantitatively for systematically analysing written, verbal, or visual documentation, goes back to the 1950s and the study of mass communication (White & Marsh, 2006, p. 22). Key themes emerge from the documents after they are classified and coded. The content can come from a wide variety of sources: books, manuscripts, drawings, photographs, recorded conversations, videotaped events, messages on electronic mailings lists and online forums, blog posts, etc. Content is analysed by breaking it up into conceptual chunks that are then coded or named. Qualitative analysis develops the categories as the analysis takes place.

Research Process

In order to answer our main research questions (RQs), it is however appropriate to proceed through a multiple step analysis, that starts from value creation and its main sources.

Therefore, coherently with the general purpose of the paper, the first research question regards the source of value creation, since it can be generated either by individuals, or the organisation or rather by external actors. It can so be examined through a very simple question:

RQ 1: What is the source of value creation? As Lepak, Smith and Taylor (2007) underlined, "The concept of value creation is not well understood".

Indeed, the current debate is based on a wide range of questions that concern the crucial points of the confusion around this topic.

Literature on how value is created is well developed and streams of literature on this topic encompass different approaches (resource-based theory, knowledge management, relational view, organisational theory, etc.).

There are, however, significant differences concerning the sources of value creation among individuals (Holcolomb *et al.*, 2009), organisations (Kang *et al.*, 2007) and

Networks (Gulati, 1999; Lavie, 2006). However, the distinction between individual, organisational and network level is not clear, with sometimes contrasting views.

Conclusion and Discussion

- Discuss your conclusions in order of **most to least important.**
- **Compare** your results with those from other studies: Are they consistent? If not, discuss possible reasons for the difference.
- Mention any **inconclusive results** and explain them as best you can. You may suggest additional experiments needed to clarify your results.
- Briefly describe the **limitations** of your study to show reviewers and readers that you have considered your experiment's weaknesses. Many researchers are hesitant to do this as they feel it highlights the weaknesses in their research to the editor and reviewer. However doing this actually makes a positive impression of your paper as it makes it clear that you have an in depth understanding of your topic and can think objectively of your research.
- Discuss **what your results may mean** for researchers in the same field as you, researchers in other fields, and the general public. How could your findings be applied?
- State how your results extend the findings of previous studies.
- If your findings are preliminary, suggest **future studies** that need to be carried out.
- At the end of your Discussion and Conclusions sections, state your main conclusions once again.

References

1. **Industrial buyers:** Use of references, word-of-mouth and reputation in complex buying situation. Journal of Business & Industrial Marketing, 29(4), 344–352.
2. **Business marketing:** Understand what customers value. Harvard Business Review, 76(6).
3. **Business market management:** Understanding, creating, and delivering.

※※※

Human Rights

Junaid Shaikh
TY B.Com, Department of Commerce,
SNBP College of Arts Commerce Science &
Management Studies, Pimpri, Pune
Email: shaikhJunaid14890@gmail.com

Abstract

The concept of "human rights in patient care" refers to the application of human rights principles to the context of patient care. It provides a principled alternative to the growing discourse of "patients' rights" that has evolved in response to widespread and severe human rights violations in health settings. Unlike "patients' rights," which is rooted in a consumer framework, this concept derives from inherent human dignity and neutrally applies universal, legally recognized human rights principles, protecting both patients and providers and admitting of limitations that can be justified by human rights norms. It recognizes the interrelation between patient and provider rights, particularly in contexts where providers face simultaneous obligations to patients and the state ("dual loyalty") and may be pressured to abet human rights violations.

Keywords: *Human Rights, Patients' Rights, Dual Loyalty*

Introduction

Human rights are the basic rights and freedoms that belong to every person in the world, from birth until death. They apply regardless of where you are from, what you believe or how you choose to live your life. They can never be taken away, although they can sometimes be restricted – for example if a person breaks the law, or in the interests of national security. These basic rights are based on shared values like dignity, fairness, equality, respect and independence. These values are defined and protected by law.

Every individual has dignity. The principles of human rights were drawn up by human beings as a way of ensuring that the dignity of everyone is properly and equally respected, that is, to ensure that a human being will be able to fully develop and use human qualities such as intelligence, talent and conscience and satisfy his or her spiritual and other needs. Dignity gives an individual a sense of value and worth. The existence of human rights demonstrates that human beings are aware of each other's worth.

Human dignity is not an individual, exclusive and isolated sense. It is a part of our common humanity. Human rights enable us to respect each other and live with each other. In other words, they are not only rights to be requested or demanded but rights to be respected and be responsible for. The rights that apply to you also apply to others. The denial of human rights and fundamental freedoms not only is an individual and personal tragedy, but also creates conditions of social and political unrest, sowing the seeds of violence and conflict within and between societies and nations.

Basic Human Rights

- All human beings free and equal
- Right to life
- No discrimination
- Right of education
- No torture and inhuman treatment
- No slavery
- Same right to use the law
- Equal before the law
- Right to treated fair by court
- No unfair detainment
- Innocent until proved guilty
- Freedom to movement and residence
- Right to privacy
- Right to nationality
- Freedom to movement and residence
- Rights to marry and have family
- Right to own things
- Right to democracy
- Human rights can't be taken away
- Freedom around the world
- Right to work
- Right to just and favourable conditions of work
- Right to form and join trade unions

- Right to social security
- Right Protection of the family

Literatures Review

Since the ratification of the Universal Human rights Declaration (Paris, December 10th, 1948) understanding of the Human Rights has developed dramatically and shaped the political reality of many states. And as long as the society understood the role and function of human rights, they begun practice it domestically and internationally. However, the beginning of practice lead to many disputes such as role of human rights, whether states are responsible, the influence of powerful states, role of institutions, legitimacy of the intervention as well as comparability of human rights international agreements with domestic legislation. Each of them will be analyzed in turn. The definition of human rights has been developed by Beitz, as a public normative practice of global scope whose central concern is to protect individuals against the consequences of certain actions and omissions of their governments. (p. 14) According to him, human rights have to be defined as international standards for the governments of states, whose breach is a matter of international concern. It is necessary to outline, that he adds to human rights agency international, non-governmental organizations, individuals, institutions. Unfortunately, today UHRD, main document regulating human rights issues possess only non-binding character. (Beitz, 2009) This concern has been also shared by Buchanan(2010), however he seems to be more optimistic to the role of human rights practice.

Research Methodology

These include: sociological analysis of how international law influences states; anthropological studies of the vernacularization of human rights; critical and constructive examination of fact-finding methods; theorizing and pioneering of techniques for applying social science methodologies to human rights research; investigation of the use of data visualization in human rights advocacy; and exploration of how new technologies, such as satellite imagery, crowd-sourced eyewitness accounts, and algorithms may strengthen the credibility and capacity of human rights reporting and advocacy, or conversely pose new threats to rights-holders.

The Center has trained this same creative and critical eye onto international human rights institutions. Using their platforms as United Nations independent experts, academics, and advocates, Center faculty and staff have challenged the structure and procedures of various human rights institutions, in efforts to enhance their accessibility and accountability to the people whose rights they aim to protect, and to encourage their adaptation to a modernizing world.

Conclusion

This policy is intended to provide clear, user-friendly guidance to organizations, policy makers, litigants, adjudicators and others on how to assess, handle and resolve competing rights claims. It sets out a process for addressing competing rights situations, based in existing case law, that organizations can use as is or adapt to meet their own specific needs. Taking prompt, proactive and effective steps to address competing rights matters will help organizations to resolve tension and conflict before it escalates, and can help to avoid costly and time-consuming litigation. Where litigation is unavoidable, taking these steps will help organizations to protect themselves from liability.

Reference

1. Indian human rights act 1993
2. The Journal of human rights Research.
3. Yale Human Rights and Development Law Journal. BMC international health and human rights.
4. Columbia human rights law review. Constituting Human Rights.

※※※

Sustainability in Social, Environmental, Human Rights and Value Based System

Biradar Bhakti Dattatray
SY B. Com, Department Of Commerce,
SNBP College of Arts Commerce Science &
Management Studies, Pimpri, Pune
Email: bhaktibiradar946@gmail.com

Abstract

This paper will try to provide a general outlook towards the development of Sustainability Reporting Practices in India. With a noteworthy amount of reporting activity been done the importance of sustainability reporting in India is gaining lots of focus as an emerging market in the world. Currently, only a few companies have adopted such reporting practices compared to other Asian Countries like Japan, Finland, Germany, Sweden, etc. According to survey, the reporting scenario in India is still in nascent stage with nearly 47 companies disclosing their sustainability performance. Out of 8691 reports only a handful of 122 reports are published by Indian Companies. With the growing environmental and social concerns worldwide, this decade is going to witness a paradigm shift in the reporting standards which will demand a broad horizon of reporting issues to be addressed by a country like India. The purpose of this research study is to examine and explain whether there is a positive or negative linear relationship between sustainability reporting, inadequate management of economic, social, and governance (ESG) factors, and corporate performance and sustainable growth. Sustainable growth at the company level is introduced as a dimension that depends on sustainability reporting and the management of ESG factors. Sustainability reporting is becoming more prevalent, driven by a growing recognition that sustainability-related issues can materially affect a company's performance. In India, with the Companies Act 2013 making CSR mandatory in specified areas, more and more companies are undertaking sustainability and CSR initiatives. This paper will try to focus on the state of sustainability reporting practices in India. It will also try to analyse in brief the factors that caused slow pace on this front and will try to *understand how to increase the depth and scale of the commitment of Indian Companies towards Sustainability Reporting in the years to come.*

Keywords: *Sustainability Reporting, Business Responsibility Reporting, CSR, Social, Environmental, Human Rights, Climate, Carbon, Corruption and Governance, ESG, Green.*

Introduction

In 1972 a conference held at Stockholm, Sweden where the Swedish Government initiated the issue of human environment on the agenda of the United Nations. The serious impact of Environmental effects with the rapid progress of Science and technology after World War II was in the backdrop of the same thought. The problem crossed the national boundaries over the time as the growing interdependence among the different nations pushed the need for a new concept to be discussed at international level which later on emerged as the concept of "Sustainable Development". The concept of sustainable development advanced by the Brundtland Report was defined as "development that meets the needs of the present without compromising the ability of future generations to meet their needs" (Brundtland 1987). The rapid globalization and information efficiency in the market has led all the organizations towards a challenging task of providing information about their working and practices not only on financial aspects but also on the front of environment and social perspectives. World Business Council for Sustainable Development defines Sustainability Reporting as "public reports by companies to provide initiated the issue of human environment on internal and external stakeholders with a picture of the corporate position and activities on economic, environmental and social dimensions". Today, we cannot turn a blind eye to the environment and the rapid depletion of natural resources, as we have started to experience the initial impact of climate change on our business and daily life. The policymakers and the communities are pushing corporations to comply with sustainable business rules and regulations. There is a rise in expectation from enterprises to make it sustainable financially, socially and environmentally. It is proven that companies opting sustainable growth, experience growth more than the others. So lucky for businesses that they need not choose between profit motives and doing well, both go hand in hand. Business heads are trying to integrate environmental and social causes in their business strategy. The investors expectations have been changing rapidly and hence the companies have to account for the environment and the community where they operate. Business sustainability has become an emerging trend. For the sustainable development goals, the companies are getting involved with people and clients by meeting the issues of climate change, community health, education and development. This raises the issues of transparent and accurate reporting of the same. And therefore, sustainability reporting is gaining momentum. Companies report sustainability to enhance stakeholder confidence. Sustainability reporting is a kind of value reporting for communicating the economic, social, environmental performance to its stakeholders. This report provides reasonable information regarding the organization's performance towards sustainability, both positive and negative aspects. There are several national and international guidelines for reporting these activities. Statutory guidelines and voluntary interests have ensured corporates" responsibility and transparency towards various human rights, social and environmental concerns. While some companies publish a separate Sustainability Reports, some others publish them through company websites and Annual reports.

Objectives of The Study

1. To trace the evolution of the concept of sustainability reporting.
2. To find out the sustainability reporting practices in India.
3. To understand the guidelines followed by Indian corporate for reporting sustainability.
4. To study the developments in the practice and procedures of sustainability reporting.

Methodology

This study is based on extensive literature surveys of research publications, newspaper articles, internet blogs and international forum websites releases relating to the topic. Data is collected from the secondary source.

Literature on Sustainability Reporting

This study uses a literature review approach because, according to Massaro et al. (2016), a literature review contributes to developing research lines and questions based on previous research findings. To offer useful insights and critiques to evaluate, identify, and discuss possible future SR research agendas, this study adopts the SLR method: "An SLR is a method for studying scholarly literature, to develop insights, critical reflections, future research paths, and research questions" (Massaro *et al.,* 2016, p. 3). "SLR is a method for examining the corpus of scientific literature, for developing insights, critical reflection, future research paths, and research questions" (Dumay *et al.,* 2016, p. 167). As it is commonly used in scientific fields that mostly utilize a quantitative approach, it is also possible to implement SLR in accounting studies. Several studies in accounting using SLRs are noted, among them are (Dumay *et al.,* 2016; Bracci *et al.,* 2019; Spence *et al.,* 2010; Anessi-Pessina *et al.,* 2016; Khlif & Achek, 2017). A systematic review uses a search methodology that "makes use of an iterative and incremental procedure in which relevant articles were searched, checked and reviewed for relevance until the whole review is completed" (Massaro *et al.,* 2016, p. 7). Hahn and Kühnen (2013, p. 8) suggest five necessary steps for systematic literature reviews:

1. **Research question:** The first important step in SLR is to define a research question.
2. **Material collection:** The second step is to collect the articles to be reviewed. For that, the journal and the targeted keywords are determined.
3. **Selection and evaluation:** The next step is to evaluate relevant articles from the source. Keywords are used to filter the articles by identifying the title and reading the paper abstract.
4. **Descriptive analysis and synthesis:** Discussing formal aspects concerning the chosen theme to obtain valid results. The purpose of this analysis is to categorize the results of each article into consistent chunks by explaining how they relate to one another. For this reason, it is necessary to record the details of each article.

5. **Results:** To complement the literature review process, the findings on critical points of concern in the research question are discussed. Besides, an essential function of SLR is to present future research areas. According to Massaro *et al.* (2016, p. 4), "…researchers use SLR to map and assess the existing intellectual territory to identify future research needs." For this reason, it is essential to review and criticize existing studies before offering research gaps in the future. To develop further research, Massaro *et al.* (2016) propose to use three critical research tasks based on Alvesson and Sandberg (2011), namely, "insight", "criticism" and "transformative redefinition" ask three generic research questions and adaptable as needed to do SLR.

Next, the study adopted three general research questions to focus specifically on the SR literature.

1. How is SR research developing?
2. What is the focus and methodology of the SR literature?
3. What is the future for SR research?

Social Sustainability Reporting

The "social" was integrated late into debates on developing sustainability. Within the social sciences, the discipline of sociology has been invisible in professional circles, and public and policy discussions have focused on climate change and sustainability. Only with the widening influence of the social ecology framework that was enhanced by ecofeminist, ecosocialist, indigenous movement theories did the debate shift toward an understanding that most of humanity is vulnerable when facing environmental externalities, natural disasters, and climate change.

Vallance et al. suggest that social sustainability research tends to be anchored in the 1987 Brundtland Report, Our Common Future. This report defines sustainable development in a way that emphasizes human livelihoods as integral to accomplishing ecological goals though economic development that "meets the needs of the present without compromising the ability of future generations to meet their own needs"

Climate Sustainability Reporting

It is well accepted that climate change is caused by human beings. The Intergovernmental Panel on Climate Change (IPCC) has confirmed in several reports climate change is manmade and caused by the excessive emission of greenhouse gases (GHGs) since industrialization.

Corruption and Governance

The current global business environment points to the growing importance of governance. Concern for ethics, opposition to corruption and the implementation of best governance practices are examples of the growing relevance of governance. These practices are in line with those advocated by North (1990). In this context, the process of globalization has amplified the network of links among economic, political, institutional, social, cultural and environmental factors that operate within, between and among countries.

ESG

Sustainable growth at the company level is introduced as a dimension that depends on sustainability reporting and the management of ESG factors. In today's business environment, the modern architecture of corporate sustainability is based on three pillars: Economic integrity, social justice and value, and environmental integrity. It is clear that the combination of these factors will enable businesses to become profitable by achieving long-term growth goals, raising productivity, and optimizing shareholder value. On the other hand, the poor management of economic, social, and governance (ESG) risks by a company, as well as possible involvement in controversial events that may damage the company's credibility and reputation in the market, may negatively affect both financial and market performance and the sustainable growth of the company.

Conclusion

Studies reveal that the ESG (Environment, Social and Governance) disclosures are increasing as the companies are realizing the importance of disclosure of non-financial information like social and environmental performance. These sustainability reports also increase the credibility of the organizations and thus address stakeholders concerns. Sustainability reporting can serve as a tool for corporate public relation and also can contribute towards a sustainable economy. With the emergence of technology, investors and users of information of the corporates are more aware of the global trends. Therefore, sustainable reports provide clear insights into what the business is doing to grow sustainably. In India, Sustainability reporting has evolved lately but growing and changing drastically. Infosys stands second in CSR and Sustainability ranking 2019 by Futures cape . Infosys follows GRI standards and National Voluntary Guidelines, UN SDGs for reporting, which are now the base for sustainable and responsibility reporting in India. Many international and domestic institutional investors today look into ESG (Environment, Social, and Governance) information along with the financial data, so the reporting of these factors is vital to the business. The practice and format in reporting sustainability by Infosys can be a model and guiding tool for many other enterprises in corporate India. As rightly pointed out by a researcher, India is very large and diverse, hence a single study would not be sufficient, but contextual studies specific to region or sectors shall be more useful. This study is limited to and based on the research reports and the reports published by the organization itself, the stakeholders' point of view is not considered for the study. We can conclude by highlighting that Accounting assures transparency so that the stakeholders realize the needful knowledge to make further choices and decisions. But these sustainability reports are still not being supported by specified accounting and management systems. Sustainability reports have become more portraits of organizations social engagements rather than an accounting tool. Accounting researchers have a lot of scope for research in sustainability reporting and contribute to the country's economy. This study could serve as a base to study further on developing and linking accounting to the sustainability reporting guidelines and framework.

Reference

1. https://www.researchgate.net/publication/240749210_Sustainable_investment
2. https://ojs.uwindsor.ca/index.php/csw/article/view/5833/4796
3. https://www.unep.org/about-un-environment/why-does-un-environment-matter/environmental-social-and-economic

※※※

Green Finance

Jibran Farooqui
TY B.Com, Department of Commerce,
SNBP College of Arts Commerce Science &
Management Studies, Pimpri, Pune
Email: farooquijibraan@gmail.com

Abstract

Green finance is a new financial pattern to integrate environmental protection with economic profits, emphasizing "green" and "finance", two of which are controversial issues. This paper probes into the status quo of green finance in the field of renewable energy and finds out some inadequacies. We devote attention to development of market mechanism and formulation of policies. By revealing the internal contradictions between green finance and environmental protection, we propose solutions intrinsically for better achievement of ecological balance.

Keywords: *Green Finance, Renewable Energy, Environmental Protection*

Introduction

Green finance is any structured financial activity that's been created to ensure a better environmental outcome. The value of green bonds traded could soon hit $2.36 trillion. The European Central Bank is getting heavily involved in green finance. The top green bonds issuers are the U.S, China and France. The world forums green horizon summit focuses on how green finance can help in the recovery from covid-19. At its simplest, green finance includes an array of loans, debt mechanisms and investments that are used to encourage the development of green project for minimize the impact on the climate of more regular project or a combination of both. For the United Nations, green finance plays an important role in delivering several of its sustainable development goals. Its environment team is already working with public and private sector organizations in an attempt to align international financial systems to the sustainable development agenda.

Some of the activities UN Environment is involved in include helping countries re-engineer their regulatory frameworks- so that green borrowing become complaint, for example- helping steer public sector planning sector planning in a more environmentally friendly direction. Clean source of energy can be brought to fruition through the right combination of planning consent, strategic priorities and availability of capital. Such project could be given preferential treatment to make them more attractive option than, for example, fossil fuel derived energy infrastructure. Green financing could be promoted through changes in countries regulatory frameworks, harmonizing public financial incentives, increases in green financing from different sectors, alignment of public sector financing decision making with the environmental dimensions of the sustainable development goals, increases in investment in clean and green technologies, financing for sustainable development goals, increases in investment in clean and green technologies, financing for sustainable natural resources based green economies and climate smart blue economy, increase use of green bonds and so on.

Literature Review

Up to today, we do not have a precise and commonly accepted definition of green finance for two reasons. First, many publication do not try to definite the term for instance neither IFC(2013) nor spratt and Griffith Jones (2013) include a definition of green finance and second, the definition that are proposed vary significantly. Among the few definition that are trying to found in literature are the following–

Gilbert (2012) "Green finance is a broad term that can refer to financial investment following into sustainable development project and incentives environmental products and policies that encourage the development of more sustainable economy green finance include climate finance but is not limited to it. It also refer to wider range of other environmental objectives for example industrial population control water sanitation or biodiversity protection mitigation and adoption finances specially related to climate change related to activities mitigation financial flow refer to investment in projects and programs that contribute to reducing or avoiding greenhouse gas emission whereas adoption financial floor refer to investments that contribute to reducing the vulnerability of goods and personnel to the effect of climate change."

Zadek and Flynn (2013) "Green finance is often used interchangeably with green investment. However in practice green finance is a wider lens including more than investments as defined by Bloomberg new energy finance and others. Most important is that includes operational cost of green investment not include under the definition of green investment most obviously it would include costs such as project preparation and land acquisition cost both of which are not just significant but can pose distinct financing challenges.

Research Methodology

After the establishment of green finance reform and innovation pilot zone the total effect of changes in the provisional green development level composed of two the first is the tiny effect that is part of green development level change caused by its original inertia such as its own development characteristics or environmental situation. The second is the policy treatment effect hat is the part of the green development level change pause by the establishment of the pilot zone herefore the key to the policy evaluation of establishment of experimental zone is how to easonably distinguish the green development change caused by the time or by the policy reatment effect the establishment of environmental zone the difference indifference method as schedule effect parameter identifies strategy regarding establishment of experimental area as quasi natural experiment by comparing and analyzing the difference between the two types of main policy before and after the implementation we can effectively separate the time effect and the policy treatment effect eliminating the influence of unabsorbed cofounding actor as a mature econometric model the denied has been widely used in empirical economic evaluation of policy effect China existing literature on the effect of did policy has evaluated the impact of comprehensive innovation reform pilot zone on regional innovation capability from the empirical point of view the belt and road innovative promotion of the growth of premium income of provinces along the road the impact on trade scale and trade efficiency the second focus has been performance of micro policy at a micro level scholarship analyzed the impact of green credit policy on the excess investment of polluting company and the impact of political cost on earnings management of politics polluting company drawing on existing research the article starts from the micro level policy effect and the youth this mature measurement model to empirical test the effect of the establishment of the experimental area.

Analysis

The provinces include in the green financial reform and innovation pilot zone and representative regions for financial reform playing the role of green finance reform pilot zone in promoting green development is inseparable from the certain external environment particularly the guidance of government Environmental Protection behavior and the support for mercerization therefore this article mainly empirically analyze the heterogeneity of the green finance reform pilot zone with regard to the two environmental of fiscal investment in Environmental Protection and mercerization level.

Implications and Conclusion

The Chinese economy has shifted from a stage of rapid growth to the stage of higher quality development and high quality development put forth higher requirement for green development as new attempt to develop green finals the green finance reform and the innovation pilot zone only make important contributions to promoting regional green development but also play an important role in implementing new development concept across the country and providing an extensible experience for reference starting from the empirical point of view the paper examines the impact Green finance reform and innovation policy on regional green development by measuring the level of green development these results show that establishment of green finance reform and innovation pilot gun can derive the green development of the province and that the policy effect of the green finance reform has certainly regional difference that is the eastern policy effect is more obvious second under the guidance of these policy the provinces in the pilot zone use the function of green financial resource allocation mainly through the upgrading of industrial structure and the improvement of technological innovation to effect the level of

Some of the activities UN Environment is involved in include helping countries re-engi their regulatory frameworks- so that green borrowing become complaint, for example- hel steer public sector planning sector planning in a more environmentally friendly direction. C source of energy can be brought to fruition through the right combination of planning cons strategic priorities and availability of capital. Such project could be given preferential treatme make them more attractive option than, for example, fossil fuel derived energy infrastruc Green financing could be promoted through changes in countries regulatory framew harmonizing public financial incentives, increases in green financing from different sec alignment of public sector financing decision making with the environmental dimensions of sustainable development goals, increases in investment in clean and green technologies, finan for sustainable development goals, increases in investment in clean and green technolo financing for sustainable natural resources based green economies and climate smart economy, increase use of green bonds and so on.

Literature Review

Up to today, we do not have a precise and commonly accepted definition of green financ two reasons. First, many publication do not try to definite the term for instance neither IFC(2 nor spratt and Griffith Jones (2013) include a definition of green finance and second, definition that are proposed vary significantly. Among the few definition that are trying to fc in literature are the following–

Gilbert (2012) "Green finance is a broad term that can refer to financial investment follow into sustainable development project and incentives environmental products and policies encourage the development of more sustainable economy green finance include climate fina but is not limited to it. It also refer to wider range of other environmental objectives for exam industrial population control water sanitation or biodiversity protection mitigation and adopti finances specially related to climate change related to activities mitigation financial flow refer investment in projects and programs that contribute to reducing or avoiding greenhouse g emission whereas adoption financial floor refer to investments that contribute to reducing t vulnerability of goods and personnel to the effect of climate change."

Zadek and Flynn (2013) "Green finance is often used interchangeably with green investmer However in practice green finance is a wider lens including more than investments as defined b Bloomberg new energy finance and others. Most important is that includes operational cost green investment not include under the definition of green investment most obviously it woul include costs such as project preparation and land acquisition cost both of which are not jus significant but can pose distinct financing challenges.

Research Methodology

After the establishment of green finance reform and innovation pilot zone the total effect o changes in the provisional green development level composed of two the first is the tiny effec that is part of green development level change caused by its original inertia such as its ow development characteristics or environmental situation. The second is the policy treatment effe that is the part of the green development level change pause by the establishment of the pilot zone therefore the key to the policy evaluation of establishment of experimental zone is how to reasonably distinguish the green development change caused by the time or by the policy treatment effect the establishment of environmental zone the difference indifference method as schedule effect parameter identifies strategy regarding establishment of experimental area as quasi natural experiment by comparing and analyzing the difference between the two types of main policy before and after the implementation we can effectively separate the time effect and the policy treatment effect eliminating the influence of unabsorbed cofounding actor as a mature econometric model the denied has been widely used in empirical economic evaluation of policy effect China existing literature on the effect of did policy has evaluated the impact of comprehensive innovation reform pilot zone on regional innovation capability from the empirical point of view the belt and road innovative promotion of the growth of premium income of provinces along the road the impact on trade scale and trade efficiency the second focus has been performance of micro policy at a micro level scholarship analyzed the impact of green credit policy on the excess investment of polluting company and the impact of political cost on earnings management of politics polluting company drawing on existing research the article starts from the micro level policy effect and the youth this mature measurement model to empirical test the effect of the establishment of the experimental area.

Analysis

The provinces include in the green financial reform and innovation pilot zone and representative regions for financial reform playing the role of green finance reform pilot zone in promoting green development is inseparable from the certain external environment particularly the guidance of government Environmental Protection behavior and the support for mercerization therefore this article mainly empirically analyze the heterogeneity of the green finance reform pilot zone with regard to the two environmental of fiscal investment in Environmental Protection and mercerization level.

Implications and Conclusion

The Chinese economy has shifted from a stage of rapid growth to the stage of higher quality development and high quality development put forth higher requirement for green development as new attempt to develop green finals the green finance reform and the innovation pilot zone only make important contributions to promoting regional green development but also play an important role in implementing new development concept across the country and providing an extensible experience for reference starting from the empirical point of view the paper examines the impact Green finance reform and innovation policy on regional green development by measuring the level of green development these results show that establishment of green finance reform and innovation pilot gun can derive the green development of the province and that the policy effect of the green finance reform has certainly regional difference that is the eastern policy effect is more obvious second under the guidance of these policy the provinces in the pilot zone use the function of green financial resource allocation mainly through the upgrading of industrial structure and the improvement of technological innovation to effect the level of regional green development thought the environment with relative high level of finance investment in the Environment Protection and mercerization helps the green finance reforms policy to further promote the positive role of the regional green development based on our research result we believe that eastern region is now gradually entering a stage of high quality development and adjust its own development plan closely following the environment policy in activity promoting regional green development. Research by scholar in China has shown that green finance can promote technological innovation and industrial structure upgrading although in the research result of this article the mediating effect of the industrial structure did not pass the test see that green finance reform and innovation policies promote the upgrading of the industrial structure we believe that upgrading of the industrial structure is a long term development process but in our current research the meditating effect in industrial structure upgrading could not be shown with the further optimization of the upgrading of the industrial structure will appear in future according to the current status of the China promotion of green finance development will we believe that fiscal investment in Environmental Protection and the level of marketization will have impact on the level of the green finance reform and the innovation in the region this result is also in line with our hypothesis which are more consistent with existing research that is fiscal investment in environmental protection and the level of mercerization effect environmental governance plans.

Limitations

Limitation of green finance is often short term time horizon of the investor does not match with the long term green investment there is always remains an issue with regard to prope coordination cooperation and alignment of financial and environmental objectives.

Money is fungible you may think that you are financing the purchase of solar panel but , i the borrowing government or corporation already has the money to pay for those panels yo would be freeing it own resource to do something else green bond may in fact finance Nationa Monument or company car hopefully they won't but you cannot rule it out if you do not see th entire expenditure plan of the borrower before and after you learn this comprehensive reportin can be time-consuming and pricey. The combination of promises to bond Byron fiscal austerit may have ugly unintended consequences a government may commit to larger spending on wor the item like cleaning up polluted beaches but if it also has ceiling on its budget deficit which may need to keep the economy in order forcing more expenditure on which is could come at t cost of cutting down on cell sanitization whether that trade of is right or wrong is better decid by parliament not financiers. It is not easy to identify impact even with the proceeds of bond c be shown to increase a particular expenditure proving that the extra expending has desired impa is complex you need experiment and control group proper evaluation take time and money a the result may be disappointing or may not available before the bonds come due will invest them feel let down and close their checkbook next time around or worse this writer has found record of bondholder taking a country or a firm to court for default on spending pledge but it technically possible.

References

1. White, M..A., "environmental finance value and risk in an age of ecology", J. Bus, strategy environment, 1996,5, 198-206.
2. QI. Y. Wang, the game research of enterprise technology innovation driven by green finance policy Journal of Industrial Technology, 2009.
3. Encyclopedia of green finance.
4. Jaecken M.., 2012, "sustainable finance and banking", Earthscan publication Ltd. London, Uk.
5. Ren DB is China's financial development green also on the hypothesis of China's environmental curve Perspex 2017.
6. Chen H does industrial green transformation successfully facilitates a decrease in carbon intensity prod., 2018.

※※※

An Overview of Fintech

Kartki Ratnadeep Shirke
SYBBA, SNBP College of ACS & MS, Morwadi, Pimpri, Pune.
Email: kartikishirke30@gmail.com

Meghana Mane
SNBP College of ACS & MS, Morwadi, Pimpri, Pune
Email: meghamadhale@gmail.com

Abstract

Fintech is the most critical factor in the finance industry. The fintech research field is emerging as an exciting topic in academics. The concepts of fintech are also fragment; thus, it needs to be clarified. In this study, we aim to review the existing studies to clarify the factors of fintech. We select 42 high-quality publications from 2015 to the present for review. After reviewing and discussing, we propose that the bank fintech and the fintech-outside are the critical factors of fintech. Additionally, we also propose the components of the bank fintech and the fintech-outside. The fintech company's pressure, the bank fintech strategy, and human resource quality are the critical components of the bank fintech. The components of the fintech-outside consist of disruptive technology, fintech regulation, and business environment.

Keywords: *Revolution, Cryptocurrency, Crowd funding, Financial Globalization.*

Introduction

Fintech is "disruptive", "revolutionary" and armed with "digital weapons", that will "tear down" barriers and traditional financial institutions (World Economic Forum, 2017).

Fintech also can be defined as the use of technology in the financial system that produces a product, service, technology, and/or new business models, and can have an impact on monetary stability, the stability of the financial system, and/or efficiency, smoothness, safety, and reliability of the payment system (Bank Indonesia, n.d.).

Fintech can disrupt stability and become a threat to traditional banks, especially in rural banks. In different word, Fintech means the innovation from financial services or products that are produced by technology.

In concert with the progress in technology as well as mobile and internet along with their global widespread adoption, the expectations from consumers are changing.

Many business or startups are operating on Fintech related products and there are major disruptions in financial services (Lee & Teo, 2015). Fintech products and services are continuously being invented, it is given that the industry is in its early stages.

"Fintech" is a term that has been set to describe the digitalization of the financial sector. Fintech is a tool used for advanced technology, mostly internet-based in the financial sector. This term describes modern technology to enable or provide financial services, such as internet-based technology in the fields of e-commerce, mobile payments or early-stage crowd-based financing or it can be called crowd funding and crowd investing (Dapp, Slomka, & Hoffmann, 2014). Therefore, Fintech has many meanings according to experts.

Literature View

Technology plays a critical role in the finance industry. Technologies support the bank to reduce operation costs, increase efficiency and performance, reduce credit risks.

Besides that, the Technologies facilitate the bank to connect and maintain relationships with customers (Cheng & Qu, 2020; Lee & Shin, 2018; Goldstein et al., 2019; Thakor, 2020).

Under the rise of technologies in the finance industry, a new kind of company has been formulated; it is the fintech company. The technology platform facilitates the fintech company providing financial products with the same features as banking products.

Additionally, the fintech company also provides new products (e.g., cryptocurrencies). New products are noticed by younger generations (e.g., millennials generations) (Jünger & Mietzner, 2020; Pu et al., 2021).

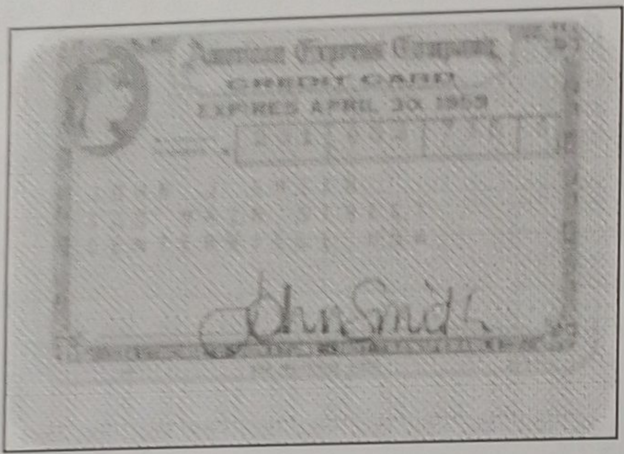
Fintech is the new word (or buzzy word), which is the mixed word of "financial" and "technology". Since 2015, the fintech research field has attracted tremendous scholars. The topics of the fintech research field are very various. For example, the topics regard mobile payment, peer-to-peer lending, banking digitalization, technologies (cloud, artificial intelligence, learning machine, etc.), the fintech startup company, fintech business models, the fintech platforms, etc. are the "hot" sub-fields of the fintech segment.

The fintech field is an emerging field (Goldstein et al., 2019; Haddad & Hornuf, 2019; Zavolokina et al., 2016). The debates about fintech are going on, and it is an exciting topic for scholars.

There are some papers about fintech-systematic from various perspectives. Lee and Shin (2018) systematized ecosystem, business model, investment decisions, and challenges of fintech. Sangwan et al. (2019) reviewed previous papers and divided fintech into three related perspectives: financial industry, innovation technology, and regulation. The review paper by Milian et al. (2019) emphasized the critical role of disruptive technologies in the finance industry.

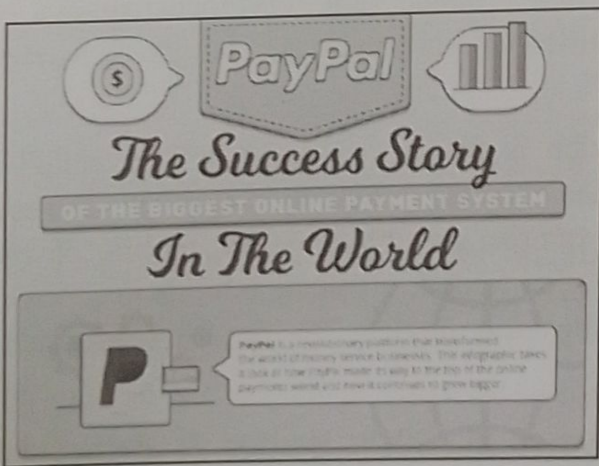
The History of Fintech

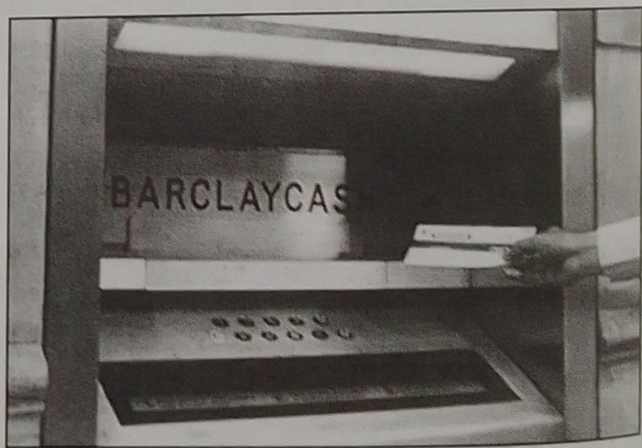
Fintech 1.0 (1886-1967) - Beginning for the 19th Century Laying a Foundation (Yes there was FinTech in the 19th century).



This is an era when we can first start speaking about **financial globalization**. It started with technologies such as the telegraph as well as railroads and steamships that allowed for the **first time rapid transmission of financial information across borders.** The key events on this timeline include first **transatlantic cable** (1866) and **Fedwire** in the USA (1918), the first electronic fund transfer system, which relied on now-archaic technologies such as the telegraph and Morse code. The 1950s brought us credit cards to ease the burden of carrying cash. First, Diner's Club introduced theirs in 1950, American Express Company followed with their **own credit** card in 1958.

Fintech 2.0 (1967-2008)- The 60's to mid-2000s A Different Way to Store Information





This period marks the shift from analog to digital and is led by traditional financial institutions. It was the launch of the first handheld calculator and the first ATM installed by Barclays bank that marked the beginning of the modern period of fintech in 1967.

There were various significant trends that took shape in the early 1970s, such as the establishment of NASDAQ, the world's 1st digital stock exchange, which marked the beginning of how the financial markets operate today. In 1973, SWIFT (Society For Worldwide Interbank Financial Telecommunications) was established and is to this day the first and the most commonly used communication protocol between financial institutions facilitating the large volume of cross border payments.

The 1980s saw the rise of bank mainframe computers and the world is introduced to online banking, which flourished in 1990s with the Internet and e-commerce business models. Online banking brought about a major shift in how people perceived money & their relationship with financial institutions.

By the beginning of the 21st century, banks internal processes, interactions with outsiders and retail customers had become fully digitized. This era ends with the Global Financial Crisis in 2008.

Fintech 3.0 (2008-Current)-is About Startups

As the origins of the Global Financial Crisis that soon morphed into a general economic crisis become more widely understood, the general public developed a distrust of the traditional banking system. This and the fact that many financial professionals were out of work, led to a shift in mindset and paved a way to a new industry, Fintech 3.0. So, this era is marked by the emergence of new players alongside the already existing ones (such as banks).

The release of Bitcoin v0.1 in 2009 is another event that has had a major impact on the financial world and was soon followed by the boom of different crypto currencies (which, in turn, was followed by the great crypto crash in 2018).

Another important factor that shaped the face of fintech is the mass-market penetration of smartphones that has enabled internet access for millions of people across the globe. Smartphone has also become the primary means by which people accesses the internet and use different financial services. 2011 saw the introduction of Google Wallet, followed by Apple pay in 2014.

The Future

With the world currently recovering from Covid-19, looking ahead, and predicting the future is extremely difficult. However, the current Global fintech investment reached a record $98bn in the first half of 2021, up from $87.1bn in the same period in 2020 [KPMG] Fintech is increasing connectivity and technology penetration is revolutionizing the way people handle money.

Covid-19 was a test for all worldwide organizations to comprehend their readiness for an enormous disruptive occurrence. The fintech industry was one of the most forward thinking and understood the significance of technology and digitization.

Scope of Fintech

The Fintech sector is a fast-growing industry that has been evolving rapidly since the word was first coined in 1999:

1. The Fintech sector is revolutionizing the way we do business. It will be difficult for banks to compete with this new wave of technology that has come about in recent years.
2. There are many opportunities in the agricultural industry, but it's essential to know where you stand on your current level of technological development before taking any steps forward.
3. India's fintech market is the worlds fastest-growing- 67 per cent of the more than 2,100 fintech entities in operation have been set up in the last five years. India's fintech market is valued at US$31 billion, which is projected to grow to US$84 billion by 2025.
4. The fintech transaction value size is projected to grow to US$138 billion by 2023 from US$66 billion in 2019.
5. According to a Boston Consulting Group report, Indian fintech companies will reach a valuation of US$150-160 billion by 2025, becoming thrice more valuable in the next five years.

Top 3 Companies for Crypto currency and Block chain Fintech

1. Block Verify

- **Location:** London, UK
- **Domain:** Block chain Exchange
- **Website:** http://blockverify.io/

Specialty:

- Use for selling and buying crypto currency like BitCoin.
- Highly secure and reduces risk for financial frauds.

2. Coinbase

- **Location:** USA
- **Domain:** Blockchain and Cryptocurrency Exchange
- **Website:** https://www.coinbase.com/

Top Fintech Companies to Look Out for in 2022

Several Fintech company in India have made it to the headlines for their phenomenal work, services, and notable success. Following are a few leading companies that are the future of FinTech in India:

- RazorPay
- Paytm
- CRED
- BharatPe
- TurtleMint
- Policy Bazaar
- MoneyTap
- Pine Labs
- Shiksha Finance
- CoinDCX

Fintech Funding In India

In the first quarter of 2020, India overtook China in terms of Fintech funding. While Chinese fintech companies attracted $270 million dollars in funding, Indian companies attracted a whopping $330 million.

To look at the matter from a different angle, here's how many deals were inked in these 2 countries respectively: 26 in China, 37 in India. While China remains the bigger market, India is rapidly realizing its enormous growth potential as well.

It's interesting to look at a breakdown of Fintech funding. Fintech companies in India are spread across different categories such as: payments, lending, insurance, personal finance management, investment platforms, and more.

There are 2000+ Fintech startups in India, and the biggest category is Payments. This is because no matter one's job, gender, or age, everyone has bills to pay, invoices to process, and online orders to pay for.

Future of Fintech

Digital payment transactions have increased dramatically, increasing from ₹ 2 trillion in 2019 to ₹ 4 trillion in 2020:

- From January to August 2021, digital transactions totalled Rs six trillion.
- The value of Fintech transactions is expected to rise from US$ 66 billion in 2019 to US$ 138 billion in 2023, at a CAGR of 20%.
- As of December 2021, India has over 17 Fintech businesses that have achieved the Unicorn Status.

Fintech firms are changing and remodeling themselves to adapt to future technology to make India the Fintech hotspot. India has a mix of Fin Techs evolving quickly and users willing to adopt digital platforms. Though the FinTech sector in India is tremendously growing, it still needs to learn how to tackle the issues that might arise when these companies expand beyond the urban areas. What we see today is merely a speck on the canvas, and things are just beginning to change.

Conclusion

Fintech can be disruptive if the innovations in banking sectors take the backseat. Bankers must continuously look out for the additional benefits and improvements they can provide to satisfy the customers. Opportunities for fintech is wide open and how well the startups rise to the customers' expectations will be a challenge.

The future of Fintech in India will see both vertical and horizontal growth. The horizontal growth will involve existing technologies becoming more accessible to a greater number of people. The vertical growth will see the emergence of entirely new financial technologies that give people new tools to trade, invest, save money, and restructure their finances.

Both these forms of growth will take India forward on its journey to financial maturity, and unlock a lot of economic growth on the way.

References

1. The FINTECH Book by Susanne Chisti and Janos Barberis.
2. The FINTECH Book: The Financial Technology Handbook for Investors, Entrepreneurs and Visionaries by Susanne Chishti
3. Making the world a better place with fintech research Andrea Lagna, M.N. Ravishankar, Information system Journal, Volume 32, Issue 1 January 2022.
4. Fintech and the Future of Financial Services: What Are the Research Gaps? By Anil Kavuri , Alistaire Milne, SSRN Electronic Journal, January 2019.

※※※

Crowd Funding

lussain Sadia
Y B.Com, Department of Commerce,
NBP College of Arts Commerce Science &
lanagement Studies, Pimpri, Pune
mail: sadiahussain506@gmail.com

Madhura Kulkarni
Department of Commerce,
SNBP College of Arts Commerce Science &
Management Studies, Pimpri, Pune
Email: madhurakulkarni018@gmail.com

Abstract

Crowd funding is the practice of funding a project or venture by raising money from a large number of people who each contribute a relatively small amount, typically via internet. It is a way to raise money from large number of people. Large groups of people pool together small individual investment to provide the capital needed to get a company or project off the ground. Individual, charities or companies can create a campaign for specific causes and anyone can contribute.

Keywords: *Funding, Raising Money, Bootstrapping*

Introduction

In the past, when someone wanted to fund something be a project, a company, or anything at required capital to start there were a few ways to raise money. They could take on debt from an. They could raise money from friends, family members, or from investors. They could even ke the 'bootstrapping' route and scrounge up as much money as possible to fund the project emselves. In the late 2000s, a fourth option becomes viable for those trying to get something off e ground: crowd funding. Based on research, in what ways are the various options for crowd-nding rewards based, equity-based, debt-based different and similar?

How does institutional force impact the functioning of crowd-funding across countries?

The prevalence of crowd-based funding avenues for entrepreneurial opportunities is dvancing faster than the associated academic literature. This literature is growing quickly, rough and there is much we already know. For example, an exceptional number of possible eterminants of crowd-funding performance have been identified, including human, social and psychological capital, language and narratives. Crowd-funding for community project also encourages public engagement. By voicing their opinion on the kinds of projects and amenities they want, they are engaging with their neighbors and building a strong Community.

Literature Review

Crowd-funding has become important in recent years. However, there is no comprehensive overview of the economic literature. Crowd funding literature classified in terms of the main capital, seekers, capital providers and intermediaries and presents important research questions for future research. The 'crowd' refers to large number of people who come together at a specific location. In German-speaking countries, the term Crowd-investing is often used to distinguish equity-based crowd-funding from other forms of crowd-funding. The publication of the data of the P2P lending platform prosper.com in the U.S. in 2007 made an important contribution to the increasing research volume (Bachmann et al. 2011)

Crowd-funding models in the U.S. that provide a financial return for capital providers are in the scope of securities law of 1993 (Bradford 2012). A successful crowd-funding transaction sends a positive signal about the venture to various market participants.

A social entrepreneur is a person who established an Enterprise with the aim of solving social problems or effecting social change. This result confirms the assumption that the first people to participate in a crowd-funding transaction are typically from family and friends. They know the entrepreneur and want to support the venture and its team

Research Methodology

Crowd-funding is a recent phenomenon thus many research on crowd funding is based on phenomenon based approach. This involves developing a definition and description as well as differentiation to related subject and concepts the term crowd funding appeared in literature, scientific articles on lending based crowd-funding used the term social lending. The first scientific discussion mentioning —crowd funding was mainly focused on the legal issued under U.S. law. In 2009, kappel analyzed the legal restrictions of crowd-funding under the securities law from 1993 using the music industry as an example. Subsequently, the legal restrictions of crowd-funding dominated U.S. legal literature. Belleflamme, schwienbacher and colleagues began discussing venture financing through crowd-funding in 2010. In last few years, crowd-funding has emerged as an alternative source of funding for various types of projects. In the beginning, crowd-funding was mainly used to finance artist from different sectors established of various crowd-funding internet platform in music sector for example artist share. The purpose of this article is to provide an overview of the academic research on crowd-funding. Given that the term Crowd-funding implies raising financial resources from a large number of capital providers without indicating purpose of funding.

Analysis

The use of technology has helped to expand the availability of new forms of financing as well as the development of context among which crowd-funding has received an increasing amount of interest over the past few years. This study analyzes how the generalist digital press address crowd-funding and identify the attribution linked to this phenomenon. The sample is defined as term of linguistics corpus that content related to crowd-funding drawn from the digital edition of the four most important Spanish newspapers from the September 1996 to October 2020. World association and co-occurrence analyses we're carried out. The results reveal correspondence among social, academic and media pattern related to the crowd-funding phenomenon. This correspondence shows how attribute such 'project', 'platform' or 'investment' appear to be very relevant and are linked to different co-occurrence scenarios. The difference and similarities between the media discourse for the crowd-funding ecosystem and the entrepreneurial phenomenon are also identified.

Limitations

- A major disadvantage of crowd-funding via crowd-funding platform is that if you fail to collect the budget you have set in time, your project will be removed from the platform and you will have to start again from scratch.
- In addition, in the event of bankruptcy, there may be claim against your personal asset.
- There is a risk that borrow, will ultimately not be able to meet the repayment obligation or be declared bankrupt.
- Failed projects risk damage to the reputation of your business and people who have pledged money to you.

Conclusion

Crowd-funding not only provides money to organization, it also boost their man power as the crowd that funds them also put their institutional structure on a broader footing. The supporters unwittingly become an additional marketing team by promoting the project they funded to their friends and networks. An unexpected benefits of crowd-funding campaign is that you will often receive very useful advice from backers who after all want you to succeed and will do everything they can to help you get there.

References

1. Agrawal Catalmi and Goldfarb, 2011, 2014, 'Encyclopedia on crowd-funding'.
2. Wikipedia on crowd-funding
3. Block J. Vries, GD Schuman J. & Sandner. P., 2013, 'Trademark and venture capital valuation'.
4. Bradford. R. & Potzsch. S., 2010, 'Social lending aus see perspektive Des datanschutzes', retrieved July 15, 2013.

※※※

17

Sustainable Green Finance

Priya Sonkar
TY B.Com, Department of Commerce, SNBP College of Arts Commerce Science & Management Studies, Pimpri, Pune
Email: priyasonkar2000@gmail.com

Madhura Kulkarni
Department of Commerce, SNBP College of Arts Commerce Science & Management Studies, Pimpri, Pune
Email: madhurakulkarni018@gmail.com

Abstract

In green finance, we often see investments in "Junior Equity", which normally refers to the common stock in a company. In the event of liquidation, the company would pay out preferred stockholders before holders of junior equity. On the other hand, holders of company bonds are paid before holders of preferred stock. The GEF invests money in junior equity to absorb some of the risks for other (private) equity investors. Essentially, when they see investments in junior equity, other equity investors are attracted to purchase preferred stock. This ensures they have the first claim on the distribution of profit and reduces their risk.

Keywords: *Junior Equity, Green Finance, GEF*

Introduction

The predominant financial instruments in green finance are debt and equity. Financial instruments have several features, such as level of seniority (junior equity versus preferred stock), the channel through which the flow of finance is arranged, the intermediary actors (types of investors and investment vehicles), and the terms of the agreement, and origin of funds among others. This brochure focuses on those related to debt and equity, as well as risk management product - a guarantee.

Equity financing, often used in the early stages of developing a project or company, is the method of investing capital in company stock in return for an ownership interest. Equity, also called stock or shares, can be split into preferred stock and common stock. There are two major distinctions between the types of shares. If a company must liquidate and pay all creditors and bondholders, preferred shareholders are paid first. If any money is left, common stockholders will receive their payments. Second, the dividends of preferred stocks are different from and generally greater than those of common stock.

Debt financing is typically used at later stages of development and often in combination with equity. In debt financing, investors lend money to borrowers, who pay back this amount (the principal) with interest under strict conditions. If a company liquidates its assets, debt has higher priority than or is "senior" to, equity. In other words, a company must meet its obligations to creditors (those who lent the money) before it pays those who borrowed money to invest in equity. As a result, more senior debt has a greater level of security, which allows for a lower interest payment than more junior security (also known as subordinated debt)

Literature Review

Jeucken (2001) proposed that the management pressure of environmental risks comes from two aspects; one is external, including pressure from the government, the pressure of consumers and competitors, and the internal pressure from employees, customers, and policies. Schaltegger and Figge (2001) proposed that environmental risk management of commercial banks can reduce non-performing assets, reduce internal operating costs, improve operational efficiency, and can be used as a new business opportunity to develop new financial innovation products.

Sabine K Mc Neill (2007) proposed a model of "green credit", rather than an environmental tax, to guide the whole society to transform production methods into sustainable development. Energy-efficient buildings, energy-efficient energy, energy-efficient transportation, and the use of renewable energy can all be developed by relying on the development of "green credit".

The theoretical research of Duan and Niu (2010) shows that the probability distribution of green credit to government, financial institutions, and enterprises is demonstrated from the perspective of game theory. Lin Jun (2006) analyzes the status and characteristics of the development of SMEs in the UK and explains the development of SMEs in the UK in terms of credit business and fiscal policy.

Research Method

Content Analysis

This paper uses content analysis to analyze 23 papers in the special issue. Content analysis is defined as a systematic and reproducible technique that compresses many words in a text into fewer content categories according to pure coding rules [22,23,24,25]. In the classification of test subjects, the text is set into ten categories. In the process of research, content analysis makes it relatively easy for researchers to screen large amounts of data systematically [24].

This approach can be a useful technique for researchers to discover and describe the focus of the unusual, group, institutional, or social concerns [25]. It also allows inferences to be carried out, which can then be verified using other data collection methods.

Research Process

This study reviews the published MDPI journal "Sustainability" in May 2019 deadline of the special issue "Internet Finance, Green Finance and Sustainability" 23 papers under, and through two independent experts on the 23 papers in the special issue with the content browsing after the summary, its thesis on the classification, and then through the results than the discussion, and then read the summary to be consistent with the classification results, to ensure that level of confidence, but also are more likely to allow readers to produce the same meaning. Accordingly, the final results were tabulated, With the degree of association of each of the ten themes of the lecture content and step-up, gradually increasing numbers, 1 represents the highest degree of association.

Conclusion

Through the visualization results in figure 1, it can be pointed out that the papers in this special issue mainly focus on the topics of "Internet finance" and "other financial". Being a function of statistics, the number of papers related to the two major topics is greater than or equal to 0.8 accounting for about 1/2 of the total number of papers. Secondly, although there are numerous papers on the topic of "sustainable development", its relevance is very low (about 0.2) and only slightly mentioned. Finally, as one of the three topics also included in the special issue, "green finance" is all the more singular, with only three papers correlating 0.7or greater. It shows that the theme papers in this special issue are not "green" or "Sustainable" enough, so scholars must study and explore these two important fields. Based on the cross-classification analysis of the contents of the 23 thesis papers, it can be observed that the research under the theme of Internet finance mainly concentrates on the impact of research on individuals or enterprises. While bringing new opportunities for economic development, Internet finance also brings new risks. Second, the theme of green finance concentrates on the environment. More and more enterprises are using green technologies to protect the environment and foster economic growth. Third, the theme of sustainable development involves all walks of life, focusing not only on persons or enterprises but also on the sustainable development of society. More researchers agree with the triple bottom line theory of "economy, environment and society", namely sustainable development theory.

Also, with the advent of the era of big data, digital finance, big data finance, supply chain finance, and other financial topics have attracted researchers' attention. The emergence of relevant literature indicates that people's interest in this research field is increasing.

References

1. Bolton, P.; Kacperczyk, M.T., 'Carbon Premium around the World'. CEPR Discussion Paper No. DP14567. 2020. Available online: https://ssrn.com/abstract=3594188 (accessed on 20 October 2020).

2. Trippel, E., 'How green is green enough?' The changing landscape of financing a sustainable European economy. ERA Forum 2020, 21, 155–170. [Google Scholar] [CrossRef]
3. Wang, Y.; Zhi, Q., 'The Role of Green Finance in Environmental Protection: Two Aspects of Market Mechanism and Policies', Energy Procedia 2016, 104, 311–316. [Google Scholar] [CrossRef]

※※※

Green Financing

Anjali Anilkumar Gupta
Department of Commerce,
SNBP College of Arts Commerce Science & Management Studies, Pimpri, Pune
Email: ag419740@gmail.com

Neha Chandrakant Kshirsagar
Department of Commerce,
SNBP College of Arts Commerce Science & Management Studies, Pimpri, Pune
Email: kshirsagarneha77@gmail.com

Manisha Ranjit Kharate
Department of Commerce,
SNBP College of Arts Commerce Science & Management Studies, Pimpri, Pune
Email: manishakharate71@gmail.com

Abstract

Green finance refers to the financial arrangements that are specific to the use for projects that are environmentally sustainable or projects that adopt the aspects of climate change. Environmentally sustainable projects include the production of energy from renewable sources like solar, wind, biogas, etc.; clean transportation that involves lower greenhouse gas emission; energy efficient projects like green building; waste management that includes recycling, efficient disposal and conversion to energy, etc. Moreover, project defined sustainable under the disclosure requirement for Green Debt Securities include climate change adaptation, sustainable waste and water managements, and sustainable land use including sustainable forestry and agriculture, and biodiversity conservation (SEBI 2017). In order to meet the financial needs for these types of projects, new financial instruments such as green bonds; carbon market instruments (e.g., carbon tax); and new financial institutions (e.g., green banks and green funds) are being established. They together constitute green finance.

Keywords: *Financial Arrangements, Green Debt Securities, Green Finance*

Introduction

Green finance is central to the overall discussion on sustainability of economic growth. Rapid economic development is often achieved at the cost of environment. Dwindling natural resources, degraded environment and rampant pollution are hazardous to public health and pose challenges to the sustainable economic growth. In order to protect and substantially improve the environment, nations around the world have been increasingly focusing on the use of ecofriendly technologies. However, it requires appropriate incentive structure for increased allocation of funds towards setting up or adopting environmentally sustainable projects. Once funds are freed from the conventional industries and are channeled into the green and environment- friendly sectors, other resources including land and labour may also follow. This eventually leads to an optimal allocation of resources2 that support sustainable growth in the long run. In order to achieve these objectives, targeted policies on green finance have been formed in major countries involving all stakeholders of economic growth, viz., corporates, governments and central banks. In this article, we assess the progress of green finance in India. In Section II, we briefly discuss some of the best practices followed across the globe for promoting green finance and some of the major initiatives taken in India. In Section III, we outline the progress of green finance in India. In Section IV, we discuss the challenges and way forward and Section V concludes.

Literature Review

Among the most popular term in today's business environment is green finance. However, Among the most popular term in today's business environment is green finance. However, varied in definitions, green finance refers to investment in companies whose activities, products,and services are eco-friendly. Despite shreds of evidence linking ambiguous impacts of corporate greenness to shareholders, an increasing trend of public awareness regarding corporate social responsibility is observed across the globe, with shareholders and investors linking this new phenomenon as fundamental towards sustainable development. This research article provides a mini-review of existing literature on green finance drawn from multiple sources. The results are then synthesized and summarized with appropriate conclusions. The study analyzed 17 journal articles and summarized them in two tables as indicated herein. In the first table, the researchers analyzed information on the journal articles concerning title, authors, publishers, and year of publication. The succeeding table is a summary of the contents of the articles; objectives, findings, and recommendations. The study revealed the adoption of green finances across different sectors in compliance with the Paris Agreement towards sustainable development. Also, nancial institutions are at the forefront of promoting green finance, offering incentives to entities willing to disclose this concept in their yearly financial publications. Lastly, despite investors being optimistic about this new phenomenon, the study revealed barriers and constraints towards implementing green finance among stakeholders.

Research Method Content Analysis

This paper uses Content Analysis to analyse. This is a social science method widely used to disseminate information content. Berelson (1952) defined content analysis as "the research method of objective, systematic and quantitative description of the communication content with definite characteristics". GAO (1996) refers to content analysis as a set of procedures for collecting and organizing information in a standardized format that allows analysts to infer the characteristics and meaning of written and other recorded material. The method can be used for a variety of purposes, such as revealing the focus of individual, group or social concerns and describing topics, trends, objectives or other characteristics in the communication content.

Benefits

- Encouraging green financing on a massive scale implies that green or environmental initiatives get priority over usual business investments that may or may not be sustainable.
- A focus on such type of finance leads to transparency and a regular flow of investments into environmental objectives.
- The growth of this type of financing will help in the creation of more jobs and business opportunities.
- All this will ultimately lead to better human life and facilities as well as sustainable developments without spoiling or destroying the nature.

Challenges

Following are the challenges faced in this Financing.

- Often short-term time horizon of the investors does not match with the long-term green investments.
- There always remains an issue with regard to proper coordination, cooperation and alignment of financial and environmental objectives. Each would like to pull the trigger to prioritize its own objectives.

Conclusion

Green financing is among the most recent phenomenon in the world of business. Corporates and financial institutions have embraced green finance, gaining popularity in investment decisions among investors across the globe. Achievement of sustainable development goals calls for the need to initiate green projects through instruments such as green bonds, green banks, carbon market tools, newer financial policies and instruments, a green central bank, fintech, fiscal policies while expanding the investment financing that promotes environmental benefits. In their yearly financial publications, business entities should consider disclosure of risk assessments and returns to promote financiers' appetite towards providing critical funds for green investment projects.

References

1. Al Nuaimi, A., & Nobanee, H., 2019, 'Corporate sustainability reporting and corporate financial growth', Available at SSRN 3472418.
2. Dong, S., Xu, L., & McIver, R., 2020, 'China's financial sector sustainability and "green finance" disclosures', Sustainability Accounting, Management and Policy Journal.
3. Falcone, P. M., & Sica, E., 2019, 'Assessing the opportunities and challenges of green finance in Italy: An analysis of the biomass production sector', Sustainability, 11(2), 517.
4. Ge, Y., & Zhi, Q., 2016, 'Literature review: The green economy, clean energy policy and employment', Energy Procedia, 88, 257-264.
5. Gilchrist, D., Yu, J., & Zhong, R., 2021, 'The limits of green finance: a survey of literature in the context of green bonds and green loans', Sustainability, 13(2), 478.
6. In, S. Y., Park, K. Y., & Monk, A., 2017, 'Is 'being green'rewarded in the market? an empirical investigation of decarbonization risk and stock returns', International Association for Energy Economics (Singapore Issue), 46, 48.
7. Julia, T., & Kassim, S., 2019, 'Exploring green banking performance of Islamic banks vs conventional banks in Bangladesh based on Maqasid Shariah framework', Journal of IslamicMarketing.
8. Khan, M. A., Riaz, H., Ahmed, M., & Saeed, A., 2021, 'Does green finance really deliver what is expected? An empirical perspective', Borsa Istanbul Review.

※※※

Sustainable Investing, Business Valuation

Goyal Ayush Vinod
SY B. Com, Department of Commerce, SNBP College of Arts Commerce Science & Management Studies, Pimpri, Pune
Email: ayushvinodgoyal@gmail.com

Adhawade Atharva Nitin
SY B. Com, Department Of Commerce, SNBP College of Arts Commerce Science & Management Studies, Pimpri, Pune
Email: adhawade.atharva@gmail.com

Shetty Ruthin Karunakar
SY B. Com, Department Of Commerce, SNBP College of Arts Commerce Science & Management Studies, Pimpri, Pune
Email: shettyruthin61@gmail.com

Abstract

The increased demand for sustainable investments has resulted in an increased interest in sustainable investment analysis. Existing sustainable investment analysis assesses environmental and social performance in isolation and/or subordinates environmental and social performance under economic performance. Neither is in-line with the demands of sustainable development. This article shows how the sustainable value approach can be used for sustainable investment analysis. Sustainable value is the first value-oriented sustainability assessment. In contrast to existing approaches, it is fully integrated and it does not subordinate environmental and social aspects under economic aspects. Using the example of Danone, we demonstrate the applicability of the sustainable value approach for sustainable investment analysis.

Keywords: *Sustainable Investments, Sustainable Value, Sustainability Assessment*

Introduction

Globally, sustainable investment has proven to be an ideal practice with many companies looking to see if they could understand its components and adjust accordingly Hawn et al., 2018). As an investment procedure, sustainable investment potentially impacts sustainable development by the coordination of long haul social, environmental, governance criteria and monetary concerns during investment decisions. Therefore, sustainable investment is a green and ethical investment that employs both socially responsible investment (SRI) and ESG investment procedures (Tseng et al., 2019). No wonder the current rise in sustainable investment research has prompted both scholars and policymakers to assess the existing interrelationships in the aforementioned factors concerning sustainable investment.

This research paper aims at building on already conducted research by Ferreira through carrying out a systematic research review on a sustainable investment field (Talan & Sharma, 2019). For the past few decades traditional companies aspiring to make profits have had an increased interest in understanding and taking care of wider impacts of their businesses. Nevertheless, Non-Governmental (NGOs) governments and corporations have all fell short in their endeavours to solve certain global issues like climate change, inequality, and poverty. Thus, sustainable investment has proven to be a key solution to the environmental and social challenges by making the financial markets increasingly responsible for the ESG effects (Talan & Sharma, 2019).

Consequently, every investor now longs for investment ventures that reflect on various issues including environmental, social, ethical and even more complex issues. This is in addition to paving way for sustainable and value-based investment. Sustainable investment is thus defined as the integration of environmental, social and governance (ESG) aspects in making investment decisions (Cubas-Díaz & Martinez, 2018). As much as there is evidence of the existence of sustainable investment in the 18th century, it has become popular in the last 20 years. That being the case, most researchers dealing with sustainable investment in the year 2000 and beyond have thus shifted their focus on empirically-based articles on performance, activism and sustainability that touches on extra financial gains as opposed to the theoretical articles in 1980 and '90s cantered on personal values such as morality, sacrifice, and religion (Hale, 2016). By definition, extra financial returns refer to the value that investors sort for besides financial returns in which ESG is the answer (Almansoori & Nobanee, 2019).

Lately, the rise of sustainable investment as an academic field has been put to light through the occurrence of issues, journals and academic conferences cantered on sustainable development. As a matter of practice, indices and money focusing on sustainable investment have increased in the last few years. Some of the indices established over the last two decades include the FTSE4Good Index BY the Financial Times Stock Exchange inaugurated in 2001, and the Johannesburg Stock Exchange (JSE) Socially Responsible Investment (SRI) index inaugurated in 2004 just to mention but a few. On the other hand, there are also social investment funds like the Vanguard FTSE Social Index, Social Choice Bond Fund, ad Parnassus Core Equity Fund among others (Talan & Sharma, 2019).

In matters of sustainable investment, the incorporation of ESG factors remains the fastest growing and the most ideal approach. Nevertheless, in spite of the global recognition of sustainable investment and its ESG related components, there is still a lack of steadiness across various areas both in principle and practice (Al Hammadi &Nobanee, 2019). As is the case, it seems like it is majorly practiced In America, Australia, and Europe as opposed to developing nations. Similarly, strategies on ESG have equally resulted in inconsistency in decisions on sustainable investments because of certain reasons. Besides asset managers and investors usually issuing varying emphasis on every ESG criterion as they establish portfolios, governance fails to be recognized as the primary ESG strategy integrating factor but just like a pillar such as environment and society (Escrig-Olmedo et al., 2017). Moreover, Kempf & Osthoff established that mutual funds that are ESG driven not only resulted in additional cost but also led to increased expenses ratios. As much as ESG is a reflection of a promising sustainable investment framework the above-mentioned issues raise concern over the approach's legitimacy (Escrig-Olmedo et al., 2017).

This paper aims to try and take account of the already undertaken research on sustainable investment. That being the case, this research takes the form of an orderly review methodology as advised by Davies, and reiterated by TranfieldDenyer& Smart. The paper thus examines the field of sustainable investment and what is required to ensure it is fully achieved. Factors to be considered include environment, social, and corporate governance.

Literature Review

Sustainable investment remains an area of interest in the academic world as scholars and practitioners seek to analyze investor preference on socially responsible investments with value for ESG global market characterized by uncertainty and volatility (Almarar, & Nobanee, 2019). According to Clark & Monk, (2017) investors usually depend on updated information for making decisions on stock picking for long-term market trends forecasting. The need for intrinsic information is vital for both non-financial and financial data with sustainable investment decisions stimulated supported by the scrutiny of a company's financial and ESG data in the market or sector. Nevertheless, Hassan & Roy Chowdhury (2019), notes that quite a huge chunk of literature highlights the absence of quality and comparability with the disclosure of ESG. According to Knight and Dixon (2011), the above argument is meant to limit ESG related information uptake and prevent the implementation of practices on Sustainable investments.

Over the years, different national and international bodies like the International Integrated Reporting Committee (IIRC) and Global Reporting Initiative (GRI) which are the task force on Sustainable Accounting Standards Board (SASB) and Climate-related Financial Disclosure (TCFD) have worked to make disclosure practices and corporate measure more effective (Dumay et al. 2017). Nevertheless, the set frameworks are still somewhat voluntary and haven't achieved a universal adoption and consistent standard fete (Gill, 2011). According to KPMG (2017) report whatever is in place is a fragmented, yet dynamic global environmental regulation about ESG disclosure (Diouf & Boiral, 017). Thus, the quality of the currently available information varies depending on investment markets and countries together with individual sectors about ease of measuring and comparing ESG factors. According to Curran & Moran (2007) investors are said to be left straggling to rely on incomplete and heterogeneous ESG information due to habitual homogenous financial information (Yilmaz et al., 2020). Similarly, investors are said to be confronted by high costs on research in attempting to evaluate and locate ESG data (Yilmaz et al., 2020)

Generally, sustainable investment value affects the society, green environment and the economic performance of a firm. This implies that investors ought to have screening methods in the selection of an investment target under the lens of ESG performance of a firm. The outcome is that in terms of risk-adjusted return's ethical pension plans that invest in organizations with SRI receive equal financial gain with those of ancient pension plans. The implications are that companies in stock markets focus on green investment that permits an improvement in SRI that result in improved technical feasibility, cost-effectiveness, production methods and performance level with equal financial gains.

Limitation

The sustainable indices we choose are mainly related to the geographical part we want to cover. Thus, we decided to concentrate on one sustainable index and to compare with one conventional index. This limits the environment of research since there are only a few indices that could have enough historical data to get a significant sample to draw conclusions on. Another limitation was that when choosing a sustainable index there is mechanically a diversification limitation regarding the data. The theory of an optimal portfolio diversification defines a portfolio constructed in order to get the best risk/ return combination and considers a maximum opportunity of diversification and, in our case, the analysis of an index which negatively screens industry such as weapons, tobacco and gambling represents a limitation in terms of portfolio's diversification process. The data we use cover a period from October 2001 until February 2011 and we divide the period in sub-periods to isolate different phases in the economical conjecture. The periods are the following: the post 2000 crash period with the rebound of stocks markets (2001-2003), the golden age of subprime (2003-2006), the speculation that follows (2006-2007), the crisis 17 (2008-2009) and finally, the end of the global recession (2010-2011). Within those periods we selected daily data's from conventional indices and sustainable ones. In order to get a precisely equivalent time series and number of yearly considerations of the level of indices we decided to delete all daily data that were not found in both indices and this can be a limitation in the full number of data we could cover in this research. One other limitation was characterized by the historical record of companies that is removed from indices within the chosen time horizon and this can be a bias in terms of quantitative analysis because the number of index components and industry repartition can change over the time horizon. As an example, according to an article called "oops: socially responsible funds holds big stakes of BP" (Wall street Journal, 2010) BP shares were included in most sustainable indices and funds and was removed in 2010 because of the Mexico Gulf environmental catastrophe. This problem is also one limitation of our research and cannot be minimized regarding the time horizon we choose (2001-2011). Finally, this research seems to be fully comprehensible for readers that have a background in finance, however, we tried to explain the concepts as much as possible with simple words and we think that people that have a background in general business administration can also understand the findings and the context of this research.

Research Method

The first step in conducting research is to choose which position to adopt towards the perception of world and reality: this philosophical reflection is built around epistemology and ontology. Epistemology explains how researchers study social reality and nature of knowledge (Bryman & Bell 2007, p.16). Epistemological philosophy can be classified into two positions: positivism, and interpretivism. On one side, "Positivism refers to part of epistemological perspective by using same principles, procedures as natural science as an approach to study about social reality" (Bryman & Bell 2007, p.16). The final product of positivism would be law-like generalization. On the other side, interpretivism has a different point of view in social science and natural science about the application of research. The research is subjective, tangible, and changeable which would be affected by social actors (Bryman & Bell 2007, p.17). Interpretivism focuses on understanding social phenomena in contextual situation such as in business and management research where people and research object are separately differentiated. According to Bryman and Bell (2007, p16) the purpose of theory, within a positivist approach, "is to generate hypothesis that can be tested and that will thereby allow explanations or laws to be assessed" and since we are testing hypotheses from the theory review in our empirical research this epistemological approach corresponds to our methodological perspective. Ontology is concerned with the nature of social entities in which how the world works and commitment held to particular view (Bryman and Bell, 2007, p. 22). There are two different possibilities for researchers to assume and generalize reality which are to adopt an objectivist approach or a constructionist one. On one hand, objectivism claims that "existence of social phenomena and their meaning are independent and separate from social actors" (Bryman and Bell, 2007, p. 22). On the other hand, a constructionism concern about social phenomena is constructed from the perception and interactions of social actors (Bryman and Bell, 2007, p. 23). As mentioned earlier our research purpose tries to avoid the investors' decision factors in analyzing the indices in order to get unbiased data. Thus, we believe that following an objectivist ontological position is accurate. The nature of business research can be divided into two main different types of research, qualitative or quantitative research. These two research strategies are not constructed on the same model and do not use the same approach. As its name reveals it, the quantitative research is based on the importance of "quantifying" when collecting and analyzing data. This means that the scientific approach is used in quantitative research which implies that scientific norms and methods are put in practice especially in positivism- (defined above). The other characteristic of quantitative research is also to be deductive (theories are tested in order to draw a general conclusion). All these scientific attributes participate to obtain an objective and external view of the reality observed during the research (Bryman & Bell, 2007, p.28). 23 Another way to conduct a research is to use a qualitative approach. Instead of being based on quantification, the collection and analysis of data are developed on the importance of words and interpretation of reality. Due to this reject of scientific methods it is seen as being a "social" technique to conduct a research which gives more importance to the individual perception than to scientific conclusions. As a consequence, the research will be inductive (theories will be created following the results of the research) and orientated towards a constructivist philosophy (Bryman & Bell, 2007, p.28). According to the definition above, we believe that a quantitative research will be accurate regarding our thesis because it seems to be appropriate to answer our research question. First, our research will be positivist and conducted in an objectivist way and those patterns are usually from a quantitative type of research (as said earlier) which justifies our choice. Second, in the research methodology the tools we used correspond to a quantitative approach: indeed we have determined returns, compared correlations and analyzed different Beta's linked to representative indices we have chosen. Finally, regarding the methodology we wanted to use in order to answer our research question, it is logical that we will use a deductive approach by drawing conclusions from our empirical research.

Conclusion

The reason of our interest in this topic was to determine if there is a significant difference in terms of risk and performance between sustainable investment and conventional ones. Thus, we attempted to answer the following research question in our thesis: "What are the significant differences between conventional indices and sustainable indices comparing their return and risk Levels? A comparison of US, UK and Eurozone indices between 2001 and 2011. In order to answer this question we decided to conduct a comparison of the volatility of both indices returns and to compare average returns between October 2001 and February 2011 regarding the chose geographical perspective. The periods chosen in the time horizon allows testing the hypothesis in three different types of conjectural situations: in times of crisis with the 9/11 events and the subprime crisis (period 1 and 4), in times of post crisis markets rebound (period 2 and 5) and in times of speculative bubble with the pre-subprime crisis period (period 3). As explained earlier, our research is based on a deductive and quantitative method. To succeed in drawing conclusions, we have chosen to study return and risk of sustainable and traditional indices using five dimensions. This choice has led to the decision of adopting an exploratory strategy since this topic was never covered in this way. This is why, the answers to hypotheses and conclusions which follow are done in this special methodological context. First, regarding the results obtained it is important to focus on returns of both indices. The goal of this analysis was to confirm or not that there is a significant difference between returns of SRI indices and conventional ones. This study of returns refers to the first hypothesis we made. The conclusion reached is that returns are significantly different for SRI indices and conventional ones for the three geographic zones and in the different conjectural situations we have observed. The Eurozone perspective provides the biggest differences in term of percentage point between the different indices annualized returns, UK perspective the smallest and US is close to the Euro zone difference. Second, we did the same study about risk. The aim of this investigation was to determine if there is a significant difference of risk involved in SRI indices and in traditional ones. Talking about this issue, it seems that the UK FTSE 4 GOOD index provides the same risk of volatility than the FTSE 100 conventional index and, therefore, this hypothesis can be rejected for the UK market. However, the Eurozone Dow Jones sustainable index is significantly less 59 volatile than Eurozone conventional indices and the same situation can be witnessed in US where the Dow Jones Sustainable is less volatile than the S&P 500 index. Thus, our hypothesis about risk is valid for the Eurozone and the US perspective. Finally, we used our calculations to check if it was possible to highlight the fact that both return and risk could be different between SRI indices and conventional ones. The difference for both risk and return is not validated for the UK perspective but is confirmed for the US and the Eurozone ones with significant differences in both variables. The Eurozone provides the biggest difference in returns and volatility between sustainable. It was important for us to determine also if the SRI indices underperform (hypothesis 1a) conventional indices and concerning the analysis of the risk difference between these two types of indices we had to see if SRI indices have a lower risk (hypothesis 2a) compared to traditional indices. These two issues are discussed below. Concerning the underperformance of SRI indices, we can say that a geographic consensus can be found on this question. Indeed, the US, UK and the Eurozone sustainable indices perspective provides evidence of lower annualized returns than conventional ones between 2001 and 2011. The analysis of Eurozone and US sustainable indices provides evidence of lower volatility of return in the full period covered and this hypothesis is valid for both perspectives. The UK perspective does not provide any relevant risk pattern differences and, therefore, is not concerned by this hypothesis about risk. In order to give a comprehensive conclusive analysis regarding the validation of our hypotheses there are two main conclusions that can be deducted from our Empirical research on countries and periods. Firstly, in every geographic context, sustainable indices underperform conventional indices for the full time horizon chosen. The second conclusion is that sustainable indices do not provide greater volatility than conventional indices. The US and the Eurozone perspective provide significantly lower volatilities than conventional indices ones while UK indices have the same volatility. Regarding the three conjectural periods we covered we can deduct some interesting conclusions about the risk and return differences between indices under different economic environments. In periods of turmoil and regarding the US perspective, we cannot conclude on a common trend. The first crisis (period 1) highlighted a higher risk of sustainable index and a higher return and the opposite during the subprime crisis (period 2). In UK, the 9/11 crisis period showed higher risk for sustainable index while lower performance and the subprime crisis showed equals risk pattern and lower returns. For the Eurozone we can conclude that in both periods of crisis the sustainable index achieves lower risk and lower returns than conventional index. 60 In times of post crisis rebound (period 2 and 5) sustainable indices achieves lower risk and lower return in all of the geographical perspectives. We can conclude that between 2001 and 2011 the sustainable indices we covered are less risky and performing less than conventional indices in times of post crisis markets recovery. Finally, in period of pre-subprime crisis speculative bubble (period 3), sustainable indices achieved lower volatility and lower returns in every geographical situation as well. Thus, we can conclude that the sustainable indices we covered are also less risky and provide fewer returns in period of strong increase in financial markets.

References

1. https://www.researchgate.net/publication/240749210_Sustainable_investment
2. www.diva-portal.in
3. https://www.oecd.org/finance/ESG-Investing-Practices-Progress-Challenges.pdf

※※※