Chapter 9
A Bibliometric Analysis of Green Finance:
Present State and Future Directions

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ABSTRACT

Sustainable finance is one of the most cutting-edge growth trends in the financial sector, thanks to its growing worldwide significance. Climate finance/green finance/carbon finance has developed in recent years as a potential tool for tackling climate change and its environmental implications while also funding adaptation. Green financing, a novel kind of financial support, aims to support green development while simultaneously reducing carbon emissions. It's an emerging concept that is often explored in the context of preparing for and reducing climate-related environmental degradation. The present study aims to give a detailed review of existing knowledge on the subject of green finance. This chapter used bibliometric methods to analyse 349 articles related to sustainable finance published between 2000 and 2022. The study examined the number of publications, nations, journals, keywords, topic areas, and organisations, as well as highly cited individuals and articles. The study also aims to effectively communicate its findings by using visual depictions and network analysis.

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INTRODUCTION

The notion of "Green Finance" (GF) has developed through time in line with economic expectations. Growing worldwide concern about protection of environment, tackling climate change, and resilience has drawn academic, scholars and politicians' attention to green finance, that is an endeavor of nations to transfer to new and sustainable financial systems (Vyas et al., 2023). The world has been paying close attention to the issues of sustainability and climate change. At the 2015 UN Climate Change Conference (COP 21 or Conference of the Parties), a total of 195 countries signed the Paris Agreement on climate change mitigation, with the aim of ensuring that the increase in global temperature does not exceed 2 °C. Numerous nations have worked to encourage the growth of green production and green innovation in order to meet these long-term climate goals (Acemoglu et al., 2016; Li et al., 2018). In recent times, the expression "green finance" has grown in prevalence as a result of the international agreement to take action on climate change, refers to investments and loans that support environmentally sustainable development (GFSG, 2016). The area of finance known as "green finance" is relatively new. There has been no agreement between international organizations and economists on a precise definition. However, numerous scholars, associations, and governments have created useful descriptions for the public (Labatt, S.; White, R.R., 2003). Green finance is the term used to describe the actions taken by financial organizations to support the financing of initiatives that focus on environmental protection and the conservation of energy. It aids in shifting the industrial processes and boosting faster economic growth. Green Finance contributes to the environmental regulatory enforcements and also distribute funds from industries that produce pollution and are energy driven to those who have green technologies and innovative solutions (Wang et al., 2021).

Green finance aims to increase the worth of fiscal resources that originate from investments, banking, and insurance to be utilized for sustainable development programs in the public, private, and non-profit realms (United Nations Environment Programme, 2020; Mehta et al., 2019). Green finance is frequently referred to as "sustainable finance," "environmental finance," "climate finance," as well as "green investment." Research on sustainable finance may be broken down into seven primary categories, including socially responsible investment, green financing, climate finance, carbon finance, energy finance, impact investing, and the regulation/governance of sustainable investing and financing (Sharma et al., 2020; Vyas et al., 2020). During the eleventh G-20 meeting in Hangzhou, China in 2016, there was a noticeable increase in attention and discussion on the subject of green finance (Liu et al., 2019; Schäfer, 2018). Considering the "green" nature of green finance, it is essential to direct financial resources to all economic areas that are associated with social integration, renewable energy, green construction, climate alteration, and corporate administration (Yuan & Gallagher, 2018). Green finance is the provision of funds to support investments that are beneficial for the environment through the goal of creating a win scenario between economic growth and enhanced environmental quality (International Finance Corporation). Green finance is a financial approach which is designed to optimize both economic and ecological advantages. (Wang & Zhi, 2016). One of the strategies employed to address the challenges brought about by global warming and the transition to a carbon-free economy is the use of green finance as part of a self-sufficient financial system. Green finance is a type of financial investment that is employed in ventures such as formulating policies, providing insurance or risk management, issuing bonds, and/or other forms of commercial operations that have a lesser negative effect on the environment, or make a positive contribution to it (Cai & Guo, 2021). The utilization of the funds allotted for environmental conservation through detailed plans and proposals for returns on investment is taken into consideration