

INCLUSIVE GREEN FINANCE – As an Approach of Developing a Comprehensive Indicator for BRICS



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The study reveals major interdependencies of financial inclusion and green finance on the example of BRICS economies with special regard to China and India for the period between 2014 and 2022. The main tendencies delineated in green finance reports of Amundi, a wide variety of data on green finance (Green Index, green bond issuance and amount outstanding) and financial inclusion (e.g. access to bank account, access to ATM, mobile banking services) of the World Bank and the IMF provides us with a comprehensive view on the selected emerging economies as regards their development in opening new ways of financial literacy and environmental consciousness at a time. The bunch of data are first analysed with the help of Principal Component Analysis with an objective to construct an all-encompassing indicator of inclusive green finance. The examination is underpinned by two case studies: the successful development of the green bond market of China and the expeditious realization of a regional initiative on financial inclusion in India. The authors point out that the various development patterns in adopting modern financial solutions in the countries examined makes it difficult to provide an overall ranking of emerging economies in their efforts in the field of financial inclusion and green finance, however, the experiences of these countries deliver important lessons for European economies, especially for those in the emerging part of Central Europe.

Biography:

Zsuzsanna Novák graduated from the Budapest University of Economic Sciences and Public Administration (Corvinus University of Budapest) in 2000, and obtained her doctoral degree in Business and Administration at the Szent István University (SZIE) in the subject of monetary policy and economic convergence. From 2003 she has been a lecturer of Finance and Economics at various universities (SZIE, Corvinus University of Budapest, Budapest University of Technology and Economics). Between 2014 and 2018 she worked as analyst at the Central Bank of Hungary (MNB). Her main field of research is monetary policy, equilibrium exchange rates, public debt, technological and financial innovation.