

Editorial

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1 Introduction

In recent years, Latin America has been experiencing rapid economic growth, wherein the region has experienced numerous successful experiences on sustainable development. According to Onestini (2012), the region has moved towards more sustainable development patterns in many respects in the last few decades, yet enormous gaps remain in the quest to promote and attain economic and social development that is more equitable and more environmentally grounded. It is emphasised that sustainable development, which comprises economic growth without environmental degradation and without increasing social injustice, increasingly assumes importance, particularly regarding the prospect of global warming.

What we attempted in the present call for papers was to list some of these experiences, analysing the relationship between sustainable development and finance, which certainly has an important role in this new global context. According to Scholtens (2006), there is no simple one-to-one relationship between financial development and

sustainable development, but there are various – often indirect – linkages. Given this complex relationship, many topics were necessary to contemplate, and in this special issue, we sought to address the following:

- a finance policy for sustainable development
- b innovative financing for sustainability
- c sustainable development in project finance
- d banking systems and implications for the sustainable development
- e asset pricing and sustainable development
- f green finance as a challenge and an opportunity
- g sustainable development in emerging finance markets
- h corporate finance and sustainable development.

The relationship between finance and sustainable development is quite evident in the literature. Barbier (2011), for example, claims that a green economy will not necessarily convert to sustainable development, and for that reason, it is essential to establish innovative financing mechanisms. Bose et al. (2012) argue that financial stability is a key challenge for programmes related to sustainable development that can be implemented and that given the scale of investment and the level of uncertainty involved, innovations in this area are essential.

On the other hand, for Scholtens (2006), the importance of finance for sustainable development is because economic production affects environmental performance, and financial development is intertwined with economic development. Eberhardt-Toth and Wasieleski (2013), finally, argue that financial managers have a key role to play in sustainability, which supported the study of the motivations of these professionals regarding the promotion of sustainable development, which was conducted by the authors.

In this sense, the proposition of the call for papers led to our development of ‘Sustainable development and finance: perspectives in Latin America’ by focusing on the discussion of the relationship between finances and sustainable development in the context of Latin American, which is justified from the current perspective of the search for a more sustainable global economy. The seven articles that make up this special issue are presented in the next section.

2 A brief overview on the accepted works

In the article ‘The role of government social responsibility initiatives in creating national competitiveness: comparing the Latin American and European experiences’ of Xiaoyu Liu and Harrie Vredenburg, four countries are analysed and compared (France, the UK, Venezuela, and Peru) with the objective of exploring the role of government social responsibility (GSR) initiatives in creating national competitiveness. The major result of this paper is that innovation is a mediating variable linking government CSR initiatives and national competitiveness.

The article ‘Communicating sustainability under increasing public budget constraints’ of Jari Lyytimäki aims to discuss the use of sustainability strategies and indicators as tools to encourage a wide variety of actors, including private enterprises, to take concrete actions that produce systemic changes towards sustainability. In this article, experiences from the ongoing national-level sustainable development commitment process of Finland are presented, and lessons for Latin America are identified.

A comparison between European and Latin America countries also is a base of the article ‘A comparative analysis of the development of renewable energy in Brazil and Germany’ of Tim Rubert, Martin Schwardt and Mônica Cavalcanti Sá de Abreu, which analyses governmental programmes and provides an overview about the past, present, and future development of wind, solar, and hydro energy in Brazil and Germany. They discover that while the structure and stage of development of economies in Brazil and Germany differ, both countries share the intention to change the configuration of electricity generation.

‘Aircraft selection with DEA’s triple index: an approach for sustainability’ by Enzo Barberio Mariano, Rafael Iglesias Reinas, Vinicius Amorim Sobreiro and Daisy Aparecida do Nascimento Rebelatto exposes a new approach based on the technique of data envelopment analysis (DEA) to select aircraft under both financial and sustainable perspectives. The DEA also is used in the article ‘Bank efficiency in Brazil: the importance for economic sustainability’ by Ana Elisa Périco, Naja Brandão Santana and Daisy Aparecida do Nascimento Rebelatto to evaluate the 26 largest banking organisations via two approaches: financial intermediation and results.

The article ‘Latin America sustainable building finance knowledge sharing’ of Rita Yi Man Li and Hiu Yan Tsoi aims to review, by way of content analysis, the knowledge sharing of sustainable building finance in Latin American countries by searching through the six academic journal article databases in Run Run Shaw Library, City University of Hong Kong, and Google.

Finally, the article ‘The relationship between earnings quality and the probability of efficient investment decisions in Latin America’, of Flávio Leonel de Carvalho, Aquiles Elie Guimarães Kalatzis and Andrei Aparecido de Albuquerque verifies whether the earnings quality of Latin American companies affects the probability of efficient investment decisions, over-investments, and the probability of under-investment, using data from the companies of seven Latin American countries. The results indicate that poor earnings quality reduces the probability of efficient investment decisions and increases the probability of under-investment.

3 Final remarks

The aim of this special issue was to group a set of high-quality articles about the relationship between finance and sustainable development in Latin American countries. We hope that the accepted works may be able to clarify some points about this intriguing question. It is noteworthy that we received submissions from authors of different countries, such as Brazil, Finland, Canada and China. Unfortunately, except for Brazil, we did not receive submissions from other countries in Latin America. We also did not receive papers that directly covered all of the suggested subjects for this special issue. Thus, these subjects may be further developed in future studies and publications.

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