

Climate Change and Sustainable Finance: A Comparative Study Between China and Germany

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Abstract

Sustainable finance has become of paramount importance to embrace economic growth and mobilize efficient use of resources to protect the environment and the people living in it. Green finance has emerged as a vital tool in creating a pathway to sustainable development, as it connects the financial world with environmental and societal benefits to fight and mitigate climate change. Emerging and developed economies encounter a considerable dilemma in finding a harmonious equilibrium between their economic progress goals and tackling the detrimental effects of climate change. Our research examines the endeavors aimed at fostering a sustainable economy in the leading two issuers of green bonds in 2022, namely Germany, a developed economy, and China, an emerging economy. Green objectives take attention in politics, economics, and industry, making the findings of our study particularly noteworthy for not just academics but also investors and policy-makers due to their potential implications.

Keywords: Climate crisis, Climate Risk Indicator, Environmental taxes, Greenhouse Gas Emissions; Green finance