

HUANG XIANGMING, student, NTU «KhPI»

KOLIESNICHENKO A. S., PhD, ass. prof., NTU «KhPI»

FINANCIAL SUSTAINABILITY DEFINING APPROACHES IN ECONOMIC LITERATURE

The concept of financial sustainability has garnered significant attention in scientific literature over the past decade, reflecting its importance in ensuring the long-term viability of organizations. Financial sustainability is generally understood as the ability of an entity to manage its financial resources in a way that supports ongoing operations and growth while addressing environmental, social, and governance (ESG) factors.

Financial sustainability is a multifaceted concept that intersects with sustainability management, risk management, and corporate governance. Different scholars have proposed various definitions and frameworks to capture its essence.

The analysis of these definitions reveals several common themes and insights into the concept of financial sustainability (Fig. 1).



Figure 1 – Common themes and insights into the concept of financial sustainability

A recurring theme in the literature is the integration of ESG factors into financial decision-making.

Authors like Tamara et al. (2024) and Gleißner et al. (2022) emphasize that financial sustainability cannot be achieved without considering the broader environmental and social impacts of financial activities. This integration helps mitigate risks and align financial goals with sustainable development objectives [1].

Effective risk management is crucial for financial sustainability. Gleißner et al. (2022) and Gómez-Bezares et al. (2017) highlight the importance of managing financial risks to ensure long-term viability. This includes assessing and mitigating risks related to market volatility, regulatory changes, and environmental factors [2].

The concept of financial sustainability is complex and multifaceted, encompassing various dimensions such as ESG integration, risk management, long-term financial health, operational efficiency, and measurement frameworks. The literature highlights the evolving understanding of financial sustainability and its critical role in ensuring the long-term viability of organizations. By integrating these insights, organizations can develop more effective strategies to achieve financial sustainability and contribute to broader sustainable development goals.

These theoretical frameworks are essential because they offer a broad perspective on the elements that contribute to financial stability [27]. They help identify the key components and dynamics of a stable financial system, such as the roles of financial institutions, markets, and infrastructure. However, while these theories provide valuable insights, they are often too abstract to be directly applied in practical scenarios. To solve this problem, it is necessary to consider the methodology for determining and assessing financial stability.

References:

1. *Friede, G., Busch, T., & Bassen, A.* (2015). ESG and financial performance: aggregated evidence from more than 2000 empirical studies. *Journal of Sustainable Finance & Investment*, 5(4), 210-233.
2. *Gleißner, W., Günther, T., & Walkshäusl, C.* (2022). Financial sustainability: measurement and empirical evidence. *Journal of Business Economics*, 92(4), 467-516.

Бібліографія: *Huang Xiangming, Koliesnichenko A. S.* Financial sustainability defining approaches in economic literature / *Xiangming Huang, A. S. Koliesnichenko* // Дослідження та оптимізація економічних процесів : тези 22-ї Міжнар. наук.-практ. конф. «Оптimum-2025», 9–11 грудня 2025 р. / за заг. ред. Строкова Є. М. ; Нац. техн. ун-т «Харків. політех. ін-т» та ін. Харків : НТУ «ХПІ», 2025. – С. 136-137.