Financial Innovation: An Expanding Research Field

Financial innovation has received significant attention since the recent international economic crisis (Shiller, 2013), despite not necessarily being a new concept in the finance literature (Bennet, 1963; Tucker, 1976). As a result of the crisis, financial innovation has become a focus in a time of re-evaluation (Engelen, Erturk, Froud, Leaver, & Williams, 2010). For example, Allen (2012) explores the benefits resulting from financial innovations and discusses what might be called the “dark side” of financial innovations (Diaz-Rainey & Ibikunle, 2012; Henderson & Pearson, 2011). Allen (2012) finds empirical evidence suggesting that financial innovation often increases the complexity of transactions, resulting in opportunities to explore questions of interest to the consumers of financial services. Thus, in the long term, financial liberalization likely has negative effects and does not result in an innovative process. However, there are also many financial innovations that have already produced significantly positive effects, such as opportunities for venture capital and other developing financial innovations that are still in the early stages of development (such as equity crowdfunding).

In addition, recent evidence suggests that financial innovation has resulted in many improvements in global welfare. Clearly, it appears that its effects have generally been very positive. Lerner and Tufano (2011) argue that financial innovation is worthy of attention from the research community. It is a field of research that, given its multidisciplinary profile, integrates several fields, such as economics, law, and finance (Fleischer & Staudt, 2014). Thus, research on financial innovation can introduce new evidence to important economic issues such as financial crises, economic growth, and system instability (Beck, 2014). Thus, there are clear opportunities for future research in this finance sub-discipline, whether at the corporate level (Hu, 2012) or the transaction level (Gennaioli, Shleifer, & Vishny, 2012). These types of opportunities suggest that researchers interested in financial innovation can provide valuable evidence in other areas of modern finance (Das & Statman, 2013; Mendes-Da-Silva, Costa Junior, Barros, Armada, & Norvilitis, 2015; Shefrin & Statman, 1993) and help to develop new financial technologies (Prelipean & Boscoianu, 2010).

In summary, in light of the growing body of research on financial innovation that emphasizes its potential effects on society, the Journal of Financial Innovation (JoFI), an international academic periodical, was created in early 2014 by a team of multidisciplinary researchers. It is designed to be an independent, fully free and open access publication outlet designed for the publication or relevant
research with minimal effort on the part of authors. The Journal of Financial Innovation is intended to inform researchers, policy makers, and executives dealing with relevant issues in the field of financial innovation. We desire to sincerely thank the authors who have submitted their work so far, the reviewers, and associate editors, the School of Accountancy at Brigham Young University, and Fundação Getulio Vargas (FGV).

In this inaugural issue, we ask for readers’ patience, since the Journal of Financial Innovation is not yet being fully published in the English language. We hope to resolve this shortcoming in the coming months, as we gain additional financial support. This first issue includes four papers (two original articles and two commentaries). The first article, written by Santos, Lucas, Silva, and Medeiro investigate the influence of the intraday price of oil on the stock prices of the largest companies in the Brazilian petroleum industry. In the second original article, Martins explores the topography of social networks comprised private equity and venture capital investors in emerging countries, specifically the group known as BRICS. In the first commentary, Nakamura reflects on the management of a multi-million business, Soccer Clubs in Brazil. In the final commentary, da Luz, Bittencourt, and Taioka discuss the wealth of the Brazilian market. We hope that our readers will appreciate the work published so far and that they will be motivated to continue to explore the field of Financial Innovation.

Wesley Mendes-Da-Silva
Fundação Getulio Vargas at São Paulo and Brigham Young University
E-mail address: wesley.mendes@fgv.br
Editor in Chief

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