

Research on the Path of Green Finance Promoting High-quality Economic Development under the Target of "Double Carbon"

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Abstract

As an important direction of the future development of the financial industry, green finance is a "booster" to achieve the goal of "double carbon" and provides strong support for the high-quality economic development in the new era. By combing the development process of green finance, this paper explores the mechanism of green finance to promote high-quality economic development, and thus puts forward innovative paths for green finance to promote high-quality economic development, such as strengthening green development awareness, enhancing green financial service capacity, strengthening green financial supervision, and establishing multi-party linkage mechanism.

Keywords

Green Finance; High Quality Development; Green Development; Innovation Path.

1. Introduction

Green finance is one of the key tasks during the Tenth Five-Year Plan period, an important direction for the future development of the financial industry, an important measure to achieve green development, and a key force to promote the high-quality development of the global economy. At present, China's economy has shifted from high-speed growth to high-quality development, which requires us to pay attention to production methods and environmental improvement while maintaining economic growth. Green development is the proper meaning of high-quality economic development in the new era. As a "lubricant" and "booster" of green development, green finance is an inevitable requirement for realizing green economic development in the new era. Exploring the mechanism and innovation path of promoting high-quality economic development with green finance is an important task at present, an important measure to help achieve the goal of "double carbon" and of great significance to promoting the construction of ecological civilization.

2. Elaboration on the Development of Green Finance

2.1. Green Finance Connotation

Green finance refers to the act of providing financial services to green industries such as energy conservation and emission reduction to support economic activities such as environmental improvement and resource conservation. By optimizing resource allocation, it guides the green ecological transformation of enterprise production mode and consumer consumption mode, and realizes the transformation and upgrading of industrial structure. Green finance is the link between financial industry and environmental protection industry[1]. Its core is to integrate environmental protection into financial activities, and to realize energy conservation and emission reduction and sustainable economic development through rational allocation of resources by means of green credit, green bonds, green insurance and green industry funds. Therefore, green finance is an important force to promote the development of green industries and help achieve the goal of "double carbon".

2.2. The Development History and Current Situation of Green Finance in China

China's green finance is developed with the top-down policy system. In 2007, the State Environmental Protection Administration, the People's Bank of China and the China Banking Regulatory Commission jointly issued the Opinions on Implementing Environmental Protection Policies and Regulations to Prevent Credit Risks, which emphasized the importance of credit means to environmental protection[2]. In 2009, the Notice on Full Implementation of Green Credit Policy and Further Improvement of Information Sharing was issued, which deepened the connection between finance and environmental protection industry. In 2012, China Banking Regulatory Commission issued "Green Credit Guidelines", which clarified a number of business standards of green credit in China. In 2013, the Statistical System of Green Credit issued by the China Banking Regulatory Commission clarified the areas of green financial support and provided an institutional basis for the development of green finance. In 2015, the Central Committee of the Communist Party of China and the State Council issued the "Overall Plan for the Reform of Ecological Civilization System", proposing to establish a green financial system in terms of environmental protection and promote international cooperation in green finance in order to accelerate the construction of ecological civilization. In August 2016, the Guiding Opinions on Building a Green Financial System issued by the People's Bank of China and other seven ministries further pointed out the purpose and opinions of building a green financial system and became a programmatic document for the development of green finance in China[3]. In September 2018, the Constitution of the Green Financial Standards Working Group of the National Financial Standardization Technical Committee announced the basic framework of the green financial standards system. In June, 2022, China Banking and Insurance Regulatory Commission issued Green Finance Guidelines for Banking and Insurance, which raised the development of green finance to a strategic level and was regarded as an important milestone in the development of green finance in China. In recent years, China's green finance has developed rapidly, from top-level design, regional pilot and other aspects, achieving the common development of green credit, green bonds, green funds and other products. By the end of 2021, the balance of China's green credit has reached 15.9 trillion yuan, and 2.1 trillion yuan of labeled green bonds have been issued in domestic and foreign markets. By the end of the third quarter of 2021, China has issued nearly 1,000 funds in the direction of green, sustainable and ESG, with a scale of nearly 800 billion yuan. With the continuous promotion of ecological civilization construction, the framework of China's green finance system has been gradually established, the development pattern of green finance has been basically established, the innovation ability of green finance has been continuously improved, and the risk control ability has been continuously improved[4].

3. The Mechanism of Green Finance to Promote High-Quality Economic Development

Guided by the construction of ecological civilization, green finance gives full play to the resource allocation function of finance by guiding the flow of funds, and provides important support for high-quality development[5]. Green investment, green financial products and green industry development can effectively promote the transformation of old and new kinetic energy and the green transformation and upgrading of traditional industries, optimize the economic structure, improve the environment and achieve sustainable economic and social development.

3.1. Promote the Upgrading of Industrial Structure

Green finance provides strong financial support for green industries, green consumption and green manufacturing, and guides the flow of resources to green environmental protection industries, realizes the green transformation of enterprises, and enhances corporate social

responsibility. It mainly promotes the optimization and upgrading of industrial structure through three mechanisms: capital flow, industrial integration and policy guidance. First, the capital flow mechanism, that is, guiding the capital flow through financial products such as green credit and industrial funds, makes the capital flow from industries with high pollution, high energy consumption and overcapacity to green environmental protection industries, helps the transformation and upgrading of industrial structure, and realizes the new model of "finance+ecology"[6]. Second, the industrial integration mechanism, that is, green finance enhances the competitiveness of green industries by optimizing resource allocation and further promotes the green transformation of industrial structure. By providing funds for industrial integration to realize industrial development, the transfer of intangible assets such as intellectual property rights will inevitably occur with the green transformation of enterprises, which will play a greater role in enhancing the competitiveness of green industries. Third, the policy guidance mechanism, that is, through policy guidance to reduce the credit of high-energy enterprises, control the investment of high-pollution enterprises, limit the production of overcapacity enterprises, encourage the development of energy-saving and environmental protection industries, encourage green manufacturing and green consumption, realize the green transformation of industrial structure, and thus promote the transformation and upgrading of industrial structure[7].

3.2. Help Optimize the Regional Economic Structure

Green finance is a key force to serve the sustainable development of economy and society and an important direction of financial innovation[8]. Vigorously developing green finance is an inevitable requirement in the new journey of socialist construction, a major strategy at the national level and an important factor to help optimize the regional economic structure. As a link between finance and environmental protection industry, green finance can effectively promote the coordination and unity of economy and ecology, optimize the regional economic structure, and thus promote high-quality economic development[9]. Through the capital support effect, the capital in the region will be strongly supported to green industries, thus promoting ecological protection and sustainable economic and social development. By advocating green consumption, we can improve the demand side's demand for eco-environmental protection of products and boost eco-production. At the same time, the complementary effect of green finance and traditional finance contributes to the rational flow of factors, leads the development of green economy, optimizes the regional economic structure and promotes high-quality economic development. Secondly, while vigorously supporting industrial development, green finance highlights the high efficiency of production factors, pays attention to sustainable development, realizes the flow of funds from industries with high pollution and high energy consumption to industries with energy conservation and environmental protection, and enables the coordinated development of regional economy and ecological protection, helping the optimization of regional economic structure and high-quality development[10].

3.3. Guide the Development of Green Ecology

Green development is the top priority of high-quality economic development, emphasizing the coordination and unity of "green mountains and green hills" and "Jinshan Yinshan". Green finance is an important force to develop green economy in the new era and an inherent requirement to realize green ecological development. Green finance can guide the flow of resources through the organic combination of public policy and market mechanism, and serve the green sustainable development industry in a targeted manner, thus realizing industrial ecologicalization[11]. For example, while raising the loan threshold for enterprises with high pollution, high energy consumption and high emissions, lowering the loan threshold for energy-saving and environmental protection industries, realizing the transfer of resources from "two

high and one surplus" enterprises to energy-saving and environmental protection enterprises, or providing green loan interest subsidies for green and environmental protection industries to realize the transfer of social resources to ecological production methods. Through the development of financial services related to ecological products, we will carry out innovative activities of ecological resources financing, directly or indirectly transform ecological wealth into economic wealth, and guide the development of ecological industrialization. At the same time, green finance plays an obvious role in supporting green consumption. With the introduction of micro-loans and green consumption subsidies in various places, various green consumption varieties, led by energy-saving home appliances, are increasingly abundant, and the consumption scale is increasing day by day, and citizens' awareness of energy conservation and environmental protection is constantly enhanced. Green finance promotes citizens' green consumption, pays attention to environmental protection, realizes green ecological development on both sides of supply and demand, and empowers high-quality economic development.

4. Innovative Path to Promote High-quality Economic Development with Green Finance

4.1. Implement the Concept of Green Development and Enhance the Awareness of Green Development

Since the 18th National Congress of the Communist Party of China, the state has paid special attention to ecological environment protection, put forward the concept of green development, and promoted the process of socialist modernization and ecological civilization construction. Green development is an important part of high-quality economic development, and it is the proper meaning to realize the coordinated and unified development of economy, society and environmental resources. To promote the process of high-quality economic development, we should first implement the concept of green development and enhance the awareness of green development from the public, enterprises and industries.

First, enhance public awareness of green consumption and promote personal green consumption. Change consumers' preferences from the demand side, and the market supply and demand mechanism will lead the green transformation of the industry. At the same time, the correct public opinion orientation will make consumers pay more attention to energy conservation, emission reduction and environmental protection, and pay attention to the ecological consumption mode. Second, enhance enterprises' awareness of green production and promote the ecological transformation of production. Practice the concept of green investment from the supply side, promote green investment projects, and cultivate green development formats. Third, enhance the awareness of industrial green development and promote the upgrading of industrial structure. We should give full play to the important leading role of green finance in enhancing industrial competitiveness and upgrading industrial structure, and help the coordinated development of finance and environmental protection industries. Fourth, enhance the awareness of regional green development and promote the optimization of regional economic structure. Take the opportunity of green finance, implement the concept of coordinated development of regional urban agglomerations, optimize the allocation of regional resources, enhance the awareness of regional green development, and promote high-quality economic development.

4.2. Vigorously Develop Green Credit and Enhance the Ability of Green Financial Services

Guided by the concept of green development, green finance guides the transfer of resources from "two high and one surplus" industries to energy-saving and environmental protection

industries under the dual effects of its own innovation and policy guidance, which is consistent with environmental protection and high-quality economic development, and provides a steady stream of power for promoting economic green transformation and sustainable development. The development of green credit plays an important role in promoting the development of green industry and regional economy. With the vigorous development of green credit, its positive role is becoming more and more obvious. Therefore, we should vigorously develop green credit, enhance the service ability of green finance, and give full play to the positive role of green finance in promoting industrial optimization and upgrading and high-quality development. Financial institutions should set up special departments to independently track and manage green credit business, take green credit as the starting point, accelerate financial innovation reform, expand the scale of green credit, broaden service channels and innovate service products, form an organic unity of coordinated development of green credit, green bonds, green industrial funds and green insurance, enhance the ability of green finance to support high-quality economic development in the high-quality development of financial industry, deepen supply-side structural reform and boost high-quality economic development.

4.3. Improve the System of Laws and Regulations and Strengthen the Supervision of Green Finance

In order to give full play to the positive role of green finance in serving the high-quality economic development, we should increase the guidance of government policies, strengthen the coordination mechanism of internal and external supervision, improve the legal and regulatory system, strengthen the supervision of green finance, resolve financial risks, and highlight the function and binding force of green finance. On the basis of improving relevant laws and regulations, we should pay attention to improving the green credit process, strengthen the top-level design, actively carry out related activities, improve the ability of green finance to serve the real economy, and guide enterprises to produce green. We should combine the local green financial supervision practice, build a green financial risk monitoring system, enrich the means of green financial supervision, and strengthen the statistical analysis of financial operation risks. Do a good job in the promotion of green financial products by combining financial laws and regulations with network risk education, strengthen the supervision of green financial business, enhance the awareness of green financial risk prevention, and resolve financial risks. Take green credit as a breakthrough, put an end to financial institutions' illegal behavior of obtaining benefits, and enhance their sense of responsibility for ecological protection. A perfect system of financial laws and regulations can effectively prevent and resolve financial risks, improve the ability of green finance to serve the real economy, and provide an important guarantee for high-quality economic development.

4.4. Establish a Multi-Party Linkage Mechanism to Boost High-Quality Economic Development

In the long run, there is an interactive development mechanism between finance and economy, and the real economy is the foundation of financial development. Finance can optimize the allocation of resources through capital flow and further affect the development of the real economy. We should establish a multi-party linkage mechanism between green finance and economic development, so that green finance can play its role in serving the green ecological transformation of the real economy, thereby boosting the optimization of industrial structure and the high-quality development of the real economy. We should enhance the awareness of high-quality economic development, strengthen the sense of social ecological protection, attach importance to the development of green consumption, drive green production with green consumption, build a high-quality development mechanism of green consumption linkage economy, form a linkage network with the participation of government, enterprises and consumers, and realize the common drive of policy guidance, enterprise level and industry level.

Build a standardized and unified green financial service platform, realize the benign interaction between financial capital and industrial capital, and promote the deep integration of green finance and high-quality economic development. Build a green credit information sharing system, realize the organic combination of financial supervision and risk prediction, strengthen the interactive development of finance and economy, increase coordination and cooperation between regions, and promote the comprehensive, orderly and high-quality economic development with the green ecological development of regional economy as the starting point.

4.5. Correctly Handle the Relationship between Government and Market, and Explore the Path of Green Finance Practice

At present, China mainly relies on the power of the government to promote the development of green finance. The effect of this method is limited. We should correctly handle the relationship between the government and the market. The government formulates green risk guidance and risk sharing mechanism, and establishes new green financial institutions that perform government functions, such as policy-oriented green investment banks and green industry guidance funds. The government can take relevant measures to encourage enterprises to actively shift their investment to the field of green finance and promote green finance from bottom to top, so as to improve the utilization rate of green financial products. The government can implement relevant relief policies in the process of issuing green bonds to attract more enterprises to buy green bonds. In terms of taxation, we can follow the tax exemption policy of national debt, increase the total income of enterprises through tax exemption, and increase the number and purchase amount of green bond buyers. At the same time, strengthen publicity, let people fully understand the application fields and advantages of green bonds, expand the application scope of green bonds, and make them the first choice for investors. In addition to tax reduction and exemption, local governments can provide investment subsidies and guarantee subsidies for enterprises that meet the requirements, and can also take measures such as financial incentives. In order to promote green insurance in a wider range, the government can set up a special consulting service window to popularize the knowledge and successful cases of green insurance, improve the purchase rate of green insurance for enterprises and increase the issuance rate of green insurance for companies. Give play to the role of the market, guide institutions and entities to invest in green projects and manage green assets, so as to boost the development of green finance.

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