

Problems and Suggestions in the Development of Green Finance Under the “Dual Carbon Target”

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Abstract

To achieve carbon peak, carbon neutrality, referred to as “dual carbon target”, is china's solemn commitment to the international community, but also a broad and profound economic and social change. As a link and bridge of high- quality economic development, green finance plays a crucial role in it. Under the goal of ‘double carbon’, this paper studies that green finance can provide sufficient power for the high-quality development of national economy, and at the same time, it looks for the main problems existing at the present stage and gives corresponding countermeasures and suggestions.

Keywords: dual carbon target, ecological civilization, green finance, high-quality development

1. Introduction

1.1 The Connotation of the "Dual Carbon"

As global climate change poses a major threat to human society, more and more countries have elevated "carbon neutrality" into their national strategies and put forward the vision of a carbon-free future. In 2020, China announced the goal of carbon peak and carbon neutral, based on the inherent requirement of promoting sustainable development and the responsibility of building a community with a shared future for mankind. The proposal of the "dual carbon" target has a high development background at home and abroad, and will certainly have a profound impact on the economy and society. The realization of the "dual carbon" goal should also be taken into consideration and dealt with comprehensively in the overall strategic and overall situation of promoting high-quality development and comprehensive modernization. Achieving carbon peak and carbon neutrality is not an option, but a must.

1.2 The Connotation of Green Finance

Green finance refers to economic activities that support environmental improvement, climate change response, and efficient use of resources, namely, financial services for project investment and financing, project operation, and risk management in the fields of environmental protection, energy conservation, clean energy, green transportation, and green buildings.

1.3 High-Quality Economic Development

The sixth Plenary Session of the 19th CPC Central Committee summarized the great achievements of socialism with Chinese characteristics in the new era from 13 aspects, one of which was the achievements in economic development. China's economy has changed from a stage of high-speed growth to a stage of high-quality development ", meet the target with "high-quality development", change the development mode, optimize the economic structure, change the growth power, and promote the economic construction, political construction, cultural, social and ecological civilization construction of economic growth with high quality development mode.

1.4 The Relationship Between Green Finance and High-Quality Economic Development

High-quality economic development needs an effective and healthy ecological environment. Only with the sustainable development of ecological environment can the economy of our country and even the world achieve sustainable and high-quality development. Green finance plays a vital role in the high-quality development of China's economy and provides sufficient impetus for the high-quality development of economy.

High-quality economic development will further feedback green finance and continue to innovate financial

instruments. Promote continuous innovation of green finance, so as to maintain the environment that feeds back green finance.

2. Problems Existing in the High-Quality Development of Green Finance Economy

Compared with traditional finance, green finance has its own particularity in promoting high-quality economic development, which leads to many problems and deficiencies in promoting high-quality economic development.

2.1 The Green Financial Policy System Is Not Sound Enough

The green finance policy system with the issuance of national ministries and commissions as the core is becoming more and more complete, but the legal level of relevant rules is still relatively low. As green finance is still in the stage of practice and exploration, with great regional differences, the opportunity for national legislation is not yet mature. Although local governments have a high degree of freedom and have introduced a series of policy measures, the overall construction of green financial system is still lagging behind.

Policies of various departments also have certain differences, affecting the implementation effect. For example, some of nuclear power and rail transit projects have been identified as green projects while others have not been clearly defined in regulations previously issued by the People's Bank of China, the Banking and Insurance Regulatory Commission and the National Development and Reform Commission. The clear direction of development is mostly limited to the macro level, not detailed enough and lack of pertinence that cannot really play a role in promoting the development of green finance.

2.2 The Regulatory System of Green Finance Is Not Perfect

First, China has not yet established a legal system for green finance. At the national level, systematic and comprehensive green finance laws and regulations are only issued by the "Two Sessions", the National Development and Reform Commission, the Ministry of Environmental Protection and other departments, but lack of regulatory regulations. Second, regulatory departments have overlapping functions. At present, China has not established a unified green finance regulatory index system, and the obligations and responsibilities of regulators are not specific and clear, resulting in inefficient supervision. Third, inadequate supervision of financial institutions. In particular, asymmetric information and unclear product system of green finance lead to many blind spots in supervision, resulting in inadequate supervision of financial institutions.

2.3 Monotonous Profit Model of Green Financial Market

It is the single main body of green finance supply in China. The main suppliers are commercial banks, while the participation of other financial institutions, especially individual investors, is low and the market potential is far from being tapped, which limits the expansion of the total supply of green finance. Second, there is a lack of policy-based financial institutions specialized in supporting the development of green finance. Commercial banks, as the existing market players, are also in the exploratory stage of green finance business, and their inherent extensive credit and other businesses are not enough to meet the requirements of green finance business, resulting in low efficiency. Third, the development of green financial intermediary service system lags behind seriously.

At present, China lacks professional and targeted intermediary institutions for green financial services, which restricts the development and operational efficiency of green finance. Fourth, the lack of complex green finance professionals. Green finance is an interdisciplinary subject of environmental protection, energy, finance and so on. However, there is a shortage of interdisciplinary green finance talents with relevant knowledge in China.

2.4 International Cooperation Needs to Be Further Deepened

As an advocate of international cooperation in green finance, China's influence and voice have been significantly improved. In order to become a leader in the development of global green finance, China needs to further enhance the depth and breadth of international cooperation.

Green finance cooperation is led by the government, without giving full play to the important role of enterprises. Although the Chinese government actively advocates and participates in international cooperation on green finance policies, the international influence of Chinese financial enterprises, academic institutions and other institutions is not high enough. They are mainly in the stage of following or imitating, and domestic experience cannot be effectively translated into international influence.

3. Countermeasures and Suggestions

3.1 Improve the Green Financial Policy System

The rapid development of green finance in China is inseparable from the construction of policy system. In view

of the outstanding problems existing in the construction of China's green finance policy system, we should base on local realities and draw on the successful experience of leading cities at home and abroad to strengthen the design of green finance system and construct a perfect green finance system to provide the foundation and guarantee for the healthy development of green finance. Strengthen the policy guidance of the government, improve the relevant items of green finance into the existing laws and regulations, standardize and improve the business process of green finance on the basis of the existing legal provisions, and simplify the approval process.

At present, the construction of green finance standard system in China is dominated by government departments, while industry associations, enterprises and academic institutions are mostly subordinate and participating. In practice, as the main body of macroeconomic regulation and financial supervision, government departments have strong rule-making ability, but enterprises have more direct experience in micro operation mechanism. Therefore, more attention should be paid to the construction of enterprise standards and industry standards in the future.

3.2 Improve the Regulatory System for Green Finance

We will improve the legal supervision system, accelerate the formulation and improvement of laws and regulations on green finance, and establish a sound legal guarantee system for green finance. Key points include formulating basic legal systems and regulatory systems for green finance, clarifying the legal responsibilities of individuals, enterprises and other departments, protecting the rights and interests of pollution victims, and improving the efficiency of green finance investment. Second, financial regulatory agencies should also redefine their functions, reclassify overlapping functions, clarify their regulatory responsibilities, and avoid mutual deduction in actual supervision, which reduces efficiency. Third, establish a sound risk prevention and control mechanism for green finance. A complete set of risk prevention and control measures for green finance monitoring, early warning and assessment should be established to prevent and defuse financial risks, safeguard the interests of investors, and ensure the fairness of green finance development.

3.3 Expanding the Number of Players in the Green Financial Market

First, expand the scope of market entities involved in green finance. At present, commercial banks are the main participants of green finance. Therefore, in the next step, non-bank financial institutions should be mobilized to participate in green finance business, and individual investors should be guided to join in, so as to build a multi-level green finance market system. Second, we will set up policy institutions to support the development of green finance, improve the efficiency of financing, and allocate financial resources rationally to play an exemplary role. Third, foster the development of green finance intermediary institutions, and supporting the issuance of relevant policy incentives. Fourth, strengthen the construction of talent team, carry out professional training for internal employees, and recruit external professionals with complex knowledge and skills.

3.4 Participating in and Leading International Green Financial Governance

China has laid a solid foundation in the international governance of green finance. In the future, it should pay more attention to practical results, lead the international practice of green finance through the market behavior of micro subjects, and consolidate the international cooperation and results of green finance policies. We will continue to promote multilateral policy cooperation. In the future, more national regulators should be attracted to join the multilateral cooperation framework, explore the establishment of a unified green finance standard system with higher international recognition, and promote cross-border investment and financing of green finance.

We will strengthen the role of enterprises in international cooperation. Financial institutions, as green finance providers, have first-hand experience and information, and are more likely to develop universally applicable and feasible working principles and operating standards, which are easy to be accepted by the same industry and international organizations. In the future, more Chinese financial institutions should be encouraged to participate in or lead international cooperation among market institutions, and promote and copy China's green finance experience.

4. Conclusion

From the above analysis, it can be seen that although the policy system and business services of green finance in China have developed rapidly in recent years, there are still many problems to be solved in the policy system, regulatory system, incentive mechanism and market profit.

In essence, green finance is a resource allocation tool that promotes high-quality economic development through reasonable resource allocation. This paper hopes to study the corresponding countermeasures and suggestions, effectively guide the solution of targeted problems, find new growth points for high-quality economic

development, and achieve the goal of "dual carbon" as scheduled.

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