The Internal Logic and Implementation Path of Green Financial Services in Developing New Quality Productive Forces

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Abstract

Green development is the proper foundation of new quality productive forces, and new-quality productive forces essentially represent green productivity. Green finance serves as a continuous financial catalyst for sustaining ecological balance, a powerful engine for advancing green productivity, and a crucial safeguard for achieving high-quality and sustainable economic development in China. By leveraging its roles in market pricing, resource allocation, and risk management, green finance facilitates the transition toward a greener economy. Given the current challenges that constrain green financial services in supporting new quality productive forces, it is imperative to explore practical pathways by strengthening policy support, establishing standards, promoting product innovation, and enhancing risk prevention mechanisms.

Keywords

Green finance, new quality productive force, Four practical pathways.

1. Introduction

General Secretary Xi Jinping emphasized that the development of new types of productive forces is an inherent requirement and an important focal point for promoting high-quality development. Cultivating new productive forces not only reflects a steadfast pursuit of high-quality and sustainable economic development but also highlights the unremitting practice of innovation-driven growth. Green finance, as an emerging financial form that guides the real economy towards green and low-carbon development, can direct capital towards industries that offer both economic and ecological benefits, thus becoming a driving force for the green development of new types of productive forces.

Taking green finance as the focus point, accurately grasping the laws of financial macro, meso and micro regulation, driving financial resources to flow more and more efficiently into the key areas of science and technology innovation, advanced manufacturing, industrial transformation and upgrading, and green and sustainable development, promoting financial institutions to support the integration of industrialization, digital intelligence and green development, and advancing the mutual promotion and synergistic development of green, science and technology, and digital finance, and striving to do a good job. Strive to do a good job in the “five articles” of science and technology, green, inclusive, pension, and digital finance, and run a new track, new kinetic energy, and new mode of development of new quality productivity, and depict a new blueprint for the high-quality development of the economy.

2. Literature Review

At present, academic research on new quality productivity of green financial services mainly focuses on green financial development, financial empowerment of new quality productivity, and less theoretical research on the green financial services in developing new quality productive forces.

2.1. Green Financial Development

The practice and research of green finance in foreign countries have an early origin. 1974, the former West Germany set up the first policy environmental protection bank named "Ecobank", and its development purpose is to provide financing for environmental protection and pollution control projects, etc. According to Salazar (1998), enterprises can make use of different kinds of green financial instruments to optimize industrial structure and control risks. Labatt and White (2002) pointed out that the financial market can use a variety of professional green financial tools to protect the environment, reduce resource consumption, and build a harmonious relationship between man and nature. With the introduction of the concept of "green finance" into China, domestic experts and scholars have carried out research from different perspectives, promoting the development and progress of green finance in China. According to Hui Dongxu (2002), green finance includes ecological green financing and industrial green financing, which is the new direction of future financial development. Zhang Cheng Hui (2005) emphasized that the coordinated development of administrative intervention and market mechanism is an important precondition for the sustainable development of green finance. Ma Jun (2015) proposed to build China's green financial system by taking institution building, policy support, financial infrastructure, and legal infrastructure as entry points. Wang Wen (2016) suggests that the state should meet the long-term development needs of the regional economy by providing green financial supply that matches the "Belt and Road" strategy. Wang Yao et al. (2016) elaborated on the contribution of green finance to economic and social development in China from three perspectives: macro-development, micro-efficiency, and the relationship with the traditional economy. An Guojun (2021) argues that through innovation in the five major areas of policy, management, products, markets, and technology, green finance will help the realization of carbon peak and carbon neutral goals.

2.2. Financial Empowerment of New Quality Productivity

Zhang Ying et al. (2024) argue that financial empowerment of new quality productivity development is an inevitable choice to innovate the traditional economic growth mode and productivity development path, and to help the construction of a financial power, high-quality economic development and Chinese-style modernization. Li Wei (2024) puts forward the transmission mechanism of "finance → science and technology → new quality productivity" in which financial resource allocation empowers new quality productivity. Based on the perspective of "new quality state" of agricultural productivity, Shen Yun et al. (2024) discuss the internal driving mechanism of digital inclusive finance to enhance the new quality productivity of agriculture.

3. The Internal Logic of the Green Financial Services in Developing New Quality Productive Forces

3.1. Market Pricing

The development of new quality productivity promotes the cultivation of resource-saving and environment-friendly green industries, as well as the deep integration of industrial digitalization, intelligence and greening. Due to the highly prospective nature of new productivity, the asset value and profitability of new industries empowered by new productivity are different from those of traditional industries, and their value and potential are often difficult to be measured by traditional methods. For example, the impact of green finance on carbon emissions is more pronounced in developed credit markets with higher innovation success, but positive environmental effects like those of carbon-negative technologies require new ways of measuring finance, as well as new forms of financial assets, such as carbon credits and emission reductions, which need to be priced rationally through adequate trading and price discovery mechanisms. In this regard, it is necessary for the green financial market to assist in clarifying the division of ownership and value assessment of related products, to explore the potential value of related products, to promote the formation of a market-oriented mechanism for the value of green financial products, and to provide a decision-making basis for investment and financing activities that empower the green industry.

3.2. Resource Allocation

Optimizing resource allocation is one of the main functions of the financial market. The development of new quality productivity requires reducing all kinds of factors that constrain the development of productivity, unimpeded production, distribution, circulation and consumption, improving the efficiency of resource allocation, and promoting all kinds of high-quality factors to the development of new quality productivity direction of agglomeration. Building a green financial system not only provides new financing support for the potential green and high-tech industries of the new quality productivity, but also provides reasonable and necessary financial support for the green and low-carbon transformation of the traditional industries, which helps enterprises to improve the production efficiency and investment efficiency, and prompts more high-quality resource elements to flow to the green enterprises, forming a positive cycle of green development. First, green finance injects funds for the production and development of green enterprises, and relevant green enterprises and projects meet financing needs by utilizing green loans, green bonds, green funds and other financing tools issued by financial institutions, and by introducing funds into new energy, new materials, new manufacturing, new technologies and other fields that meet the requirements of new quality productivity. Secondly, green finance guides capital to gradually flow into low-carbon, environmentally friendly and eco-friendly fields, effectively curbing polluting investments. Green finance controls the cost of corporate financing and return on investment by setting differentiated interest rates, triggering industry-wide competition for cost control and green innovation and development, forcing polluting enterprises and projects to undergo green transformation, prompting the redistribution of resources within a certain range, and guiding the gradual inflow of capital into environmentally friendly and sustainable enterprises.

3.3. Risk Management

Enterprises and projects empowered by new quality productivity are often characterized by large investment, long cycle, high risk, etc. Green finance can introduce systematic risk assessment, control and management mechanisms in the process of asset allocation, continuously strengthen the long-term sustainability and stability of the economy, and provide firm guarantee for the continuous promotion of new quality productivity and high-quality economic development. First, green finance innovatively optimizes the risk rating and credit evaluation system, provides personalized risk mitigation solutions through quantitative risk analysis of enterprises' environmental performance, and improves their risk-resistant ability in environmental transformation. Second, financial institutions continue to develop and launch new risk management tools such as green options and green insurance to help enterprises cope with uncertainties, stabilize corporate production and hedge market risks in the process of green transformation. For example, green insurance protects enterprises by providing insurance coverage for their compliance behavior in pollution control and carbon emissions, enabling them to reduce potential economic losses when facing tightened environmental policies or market fluctuations.

4. The Realistic Path of Green Financial Services New Quality Productivity Development

In recent years, the construction of China's green financial system has achieved significant results, has formed a multi-level diversified green financial market based on green loans, green bonds, green financial derivatives, which serves the new quality of productive forces and the real economy of the green and low-carbon development of the strong engine. However, China's green finance is still facing some risks and challenges. For example, the unified standard of green finance has not yet been perfected, and there are still a lot of financial instruments that lack the guiding standards to support the green and low-carbon industries, which may lead to increased costs and reduced efficiency in the development of related industries; the relevant subjects of green information disclosure is not standardized enough, and the supervision mechanism is not perfect enough, which affects the financial institutions to assess and supervise the “greenwashing” project; the layout of green financial market needs to be improved, and there is still a gap between the coverage, product segmentation, innovation ability and personalized needs of developed countries in the world. In view of the above realistic dilemma facing the development of green finance, combined with the urgent need to develop new quality productivity, this paper puts forward the following relevant recommendations.

4.1. Improve the Green Financial Policy System, to Provide Policy Guarantee for the Development of New Quality Productive Forces

Relevant state departments should promote legislation in the field of green finance, implementing supportive policies with a long-term approach to boost private participation in the investment of green energy projects. The government should also improve the upper structure of green financial services for the development of new productive forces, intensifying subsidies and tax incentives for green and low-carbon projects, encouraging green production and consumption in high-energy-consumption industries, and offering financial incentives for corporate green financial projects. Requirements for policies to a great extent covering all aspects of green financial development, all elements, mobilize market players green low-carbon development initiative, effectiveness, and continue to promote the development of green finance, “multi-flowering”.

4.2. Construct and Improve the Unified Green Financial Standard System, Standardize the Development of New Productivity Paths

The People's Bank of China, the CBRC and other relevant departments have introduced corresponding green standards, involving green industry, green credit, green bonds, etc. However, there are still some differences in the scope of application of these standards, the classification of projects and the degree of refinement, which, to a certain extent, has limited the efficiency of green financial services for the new quality of productivity. It is necessary to further strengthen departmental collaboration, synergize green financial, fiscal and industrial policies, and accelerate the construction of a perfect, unified and mutually supportive green financial standard system. At the same time, the relevant state departments should pay attention to absorbing and learning from international advanced experience, promote the convergence of Chinese and foreign green financial standards, strengthen international exchanges and cooperation, and actively participate in the development of international green financial standards.

4.3. Promote Green Financial Product Innovation and Help Optimize and Upgrade the New Quality Productivity Structure

Green financial institutions should optimize the supply structure of the green financial market by updating and improving the industry support directory and developing corresponding financing tools, so as to continuously guide the precise flow of funds to new energy, new materials, new manufacturing, new technology and other industries that meet the requirements of new quality productivity. Firstly, it is necessary to improve the precision of financial services for enterprises, and actively develop new pledge financing models based on environmental rights and interests, such as carbon emission right pledge loans, carbon neutral bonds, green insurance, green financial derivatives, etc., so as to realize the reasonable and optimal allocation of credit resources. Secondly, enriching green insurance products, exploring the mechanism of differentiated insurance premium rates, promoting the development of green insurance business in the fields of environmental protection, climate change, green industry and technology, etc., enhancing the risk protection capacity for green economic activities, and continuously cultivating new quality productivity and future industries.

4.4. Improve the Green Financial Risk Prevention and Control Mechanism to Ensure the High-quality Development of New Quality Productivity

The financial sector should strengthen risk management, improve daily supervision, and inject a "cardiotonic agent" into the development of new quality productivity. First, improve the green project credit information system, promote financial institutions, the public sector, the relevant enterprise classification to enhance the mandatory and standardized green information disclosure, unify the information disclosure standards, and promote the openness and transparency of green financial information disclosure, objective and accurate, to solve the problem of asymmetric information in support of the development of the new quality of productivity. Second, financial institutions should integrate ESG elements into the whole process of credit management, effectively identify, monitor, prevent and control ESG risks of business activities, and give full play to the role of green finance.

5. Conclusion

By leveraging its roles in market pricing, resource allocation, and risk management, green finance facilitates the transition toward a greener economy. Based on the realistic dilemma, this paper constantly explores the policy guarantee and norms and standards of green financial services for new productivity from the four aspects of strengthening policy support, establishing standards, promoting product innovation, and enhancing risk prevention mechanisms., so as to help the industrial structure upgrading of new quality productivity and the road of high-quality development.

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