How Does Green Finance Contribute to the Green Economy is Growing Again After the Outbreak of the Pandemic?

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Abstract. The outbreak of the COVID-19 epidemic at the end of 2019 had a huge impact on the global economy and finance. The economic maturity of natural environment after the epidemic has attracted extensive attention from scholars. Solving the problem of green finance is of vital strategic vital for achieving the coordinated development of economy, environment and society and building a sustainable future. Through literature review, this paper focuses on the picture of today's development, problems and countermeasures of environmental finance after the epidemic. The results show that in the process of post-pandemic economic reconstruction, countries should strengthen the formulation and implementation of green finance policies, strengthen environmental protection technology and green industry through financial innovation and market mechanism, and make greater contributions to the realization of climate for global change response goals and sustainable development goals. The development of sustainable finance not only helps to promote the transformation of the economy into a low-carbon, clean, green and sustainable model, but also provides important support for the global response to climatic variation and the realization of long-term and stable economic development..

Keywords: COVID-19; Green finance; Economic development.

1. Introduction

1.1. The Reason and Important Value of the Study

The ongoing epidemic has not only posed a huge challenge to the global health system, but also profoundly affected economic development and social stability. As countries gradually contain the epidemic and resume economic activity, green finance, as an emerging financial model, is of strategic importance. Green finance focuses not only on economic growth and financial returns, but also on the integration of factors affecting the surrounding environmental, social and governance domains in investment and financing activities to promote the achievement of Sustainable Development Goals. By introducing environmentally friendly projects and enterprises, green finance can not only drive optimization and upgrading development of the economic Set up, but also mitigate the negative effects of climate change and improve the overall well-being of society, Given the global spread of the new coronavirus, governments around the world have been forced to take strict control measures, which have directly led to a significant slowdown in global economic activity and a halt in trade [1]. However, the pandemic crisis also provides an opportunity to re-examine and reshape the economic growth model at home. At the critical moment of economic recovery, ecological finance, as an important tool for sustainable development, has shown its great potential in promoting green economic recovery [2].

This paper aims to explore how financial environmental protection can contribute to a green economic recovery after the pandemic, and the effectiveness of relevant policies and practices. Look at it from an economic perspective, it helps to promote sustainable economic growth. By investing funds in green industries and projects such as energy-saving and environmental protection technologies, promoting the development of emerging industries, creating new opportunities for economic growth and employment, accelerating the process of optimizing and upgrading industrial structure, and enhancing the long-term competitiveness and stability of the economy.

For social development, green finance recovery can help improve social well-being. For example, improving the public transport system, improving the reliability and security of energy supply, etc., raise the living conditions of residents, and enhance the sustainability and inclusiveness of society [3]

From the perspective of the financial industry itself, participating in green finance business can help financial institutions reduce risks. Green projects usually have more stable long-term returns and lower risk exposure, thereby optimizing the asset allocation of financial institutions and enhancing their resilience and market reputation.

In addition, a green finance revival could boost international cooperation. In the context of the global economy joint response to climate change, the development of green finance provides a platform and opportunity for countries to cooperate, strengthen international capital flow and technical exchanges, and jointly promote the realization of global green development goals [4].

To sum up, the recovery of green finance has far-reaching significance and important value for the economy, environment, society and the financial industry itself, and is admittedly, this is one of the key drivers of future economic growth among many factors.

1.2. Literature Review

After the pandemic, green recovery has become a priority for countries' economic development, Vibrant and pioneering green finance plays a significant role in supporting it on all fronts. Here is some of the literature on post-pandemic green finance recovery in the last five years. Meng Xue sorted out the impact on the economy after the outbreak of the epidemic and the corresponding measures taken by various sectors at home and abroad to solve the problem, advocated that the government should actively guide capital to the industries needed for epidemic prevention and affected industries, enhance the flexibility of the government guidance fund to deal with social emergencies, strengthen the social responsibility of the financial sector, advocate green development, and prevent the outbreak from the source [1]. Give full and efficient play to the significant role of green transformation investment in promoting economic development and promoting industrial upgrading, so as to achieve stable economic growth. At the same time, based on the current economic situation and development needs, put forward a series of forward-looking, targeted and operable policy recommendations on green recovery and prevention of related risks, including but not limited to strengthening policy support for green industries, establishing and improving the risk assessment and supervision system of green finance, and optimizing the market environment for green investment. Thus, how does green finance contribute to the green economy is growing again after the outbreak of the pandemic to achieve green sustainable development to provide a solid policy guarantee and strong guidance and support. Zhao Tianyu pointed out that green finance has shown great potential in supporting green development, China's green finance has achieved initial establishment of green finance system, green finance local pilot has achieved a series of replicable and scalable experience, as well as participation in green finance international cooperation experience and other achievements [2]. At the same time, the literature also points out that green finance still faces many challenges in the process of supporting green recovery, such as the need to further promote policy coordination, solve the problem of endogenous environmental costs, the current phenomenon of weak environmental information disclosure in the financial field, and the existence of barriers to authoritative information. In order to further play the role of green finance in green recovery, the literature suggests four aspects: further improving the top-level design of green finance, innovating green financial products, giving full play to the role of green financial technology, and further improving green financial standards. In 2023, China's economy is in a weak recovery state, showing four characteristics, such as wavy and tortuous recovery, many deviations from the traditional recovery process, obvious differentiation in the process of economic recovery, and large differences between the macro and micro feelings of recovery. The report made two major judgments on the trend of China's economy in 2024. First, the economic growth rate will be further upward, which comes from the reversal of cyclical forces and the further acceleration of structural forces. Second, in the new equilibrium state, although the economic growth rate will not simply return to the past, the degree of economic differentiation will decline significantly. The relevant authorities of the International Green Finance Institute of China University of Finance and Economics clearly pointed out that in 2020, the aggressive new coronavirus epidemic has brought a very significant impact on the global economy. At this time, China's economic development has entered the new normal stage, with the domestic cycle as the main body and the domestic and international double cycles promoting each other's new development pattern is gradually taking shape, and the good trend of mutual promotion and coordinated development between them has clearly emerged, as a new financial tool, green financial technology plays an important role in promoting the development of green industry and green economy. Green financial technology is used to provide credit support to green projects and green enterprises, and a more secure and open information sharing platform is built based on emerging technologies such as big data, cloud computing, artificial intelligence and blockchain. Providing more risk control guarantees for financial institutions to provide green financial services will help promote the innovation of healthy emerging industry clusters in various countries and promote the innovative, green and sustainable development of national economies.

2. The Role of Green Finance in Post-pandemic Economic Recovery

The impact of the pandemic on the global economy is unprecedented, and the scope and depth of the impact are shocking. The originally relatively stable economic systems of many countries and regions have suffered extremely heavy losses under the impact of the epidemic. Economic activities have stalled, industrial and supply chains have been disrupted, trade and investment have shrunk sharply, unemployment has risen sharply, and financial pressure has continued to increase. Green finance can play multiple roles in economic recovery.

2.1. Promote Green Investment and Innovation

Through funding and policy support, green finance can encourage enterprises and projects to transition to low-carbon and environmentally friendly directions, facilitate investigation and development and application of green technologies, and thus foster new economic growth points, for example; In the highly competitive German market, the government has decisively and wisely established a special fund of strategic importance to fully support cutting-edge research and innovative development of green and sustainable renewable energy technologies such as solar and wind power, a series of preferential policies have been introduced, including the feed-in tariff subsidy policy, to encourage enterprises and individuals to invest in green energy projects [5]. In the Chinese market, the state attaches great importance to the development of the field of new energy vehicles, and has not hesitated to invest a large amount of valuable funds in this field to effectively support the in-depth research and development of advanced battery technology and convenient and efficient charging facilities, so as to improve the performance and convenience of new energy vehicles. Moreover, policies such as car purchase subsidies and exemption from purchase taxes have been introduced to promote the wide application of new energy vehicles. For the United States, in order to promote the development of solar technology, the government provides research and development funds, and has developed tax incentives to encourage enterprises and households to install solar panels [6].

2.2. Improve the Allocation of Resources and the Industrial Structure

By providing long-term and stable financial support, green finance helps optimize resource allocation, guide funds to environmentally friendly industries and projects, and promote the upgrading and transformation of economic structure.

2.3. Reduce Environmental Risks and Enhance Social Well-being

The implementation of green finance will not only help to reduce carbon emissions and resource consumption, reduce environmental risks, but also improve the quality of the ecological environment and enhance the overall well-being of society.

3. The Effectiveness Analysis of Green Finance Policy and Practice

3.1. Policy-level Support

After the epidemic, governments have increased their policy support for green finance, such as formulating and improving green bonds, environmental taxation and subsidy policies, creating a good policy environment for the development of green finance. For example: The EU has launched a number of supportive policies to promote green economic recovery, promoting green transformation as one of the cores of the economic recovery plan, and has continued to introduce a number of new policy initiatives under the framework of the "Green New Deal" to further enhance the resilience and sustainability of economic growth [7].

Japan: On July 16, 2021, the Bank of Japan announced that it will implement a green financing program to promote investment and financing of Japanese financial institutions in the field of combating climate change. Under the plan, the BOJ will provide zero-interest loans to financial institutions to support them in issuing green loans to companies or investing in green bonds. The plan is to start in 2021 and run until the end of fiscal year 2030.

In addition, China has paid great attention to the role of finance in green and low-carbon development, and is one of the first countries in the world to open the road of green finance development. In the past five years, China has actively and diligently built a green finance policy framework to provide strong support for green and low-carbon development. By the end of June 2023, the outstanding green credit of 21 large banks reached 25 trillion yuan, with a year-on-year growth rate of 33%, ranking first in the global ranking.

3.2. Leveraging the Role of Market Mechanisms

Fully leverage the role of the market and strengthen the standardization of transactions between both parties in the market. Financial institutions and investors have actively responded to the policy call and launched more green financial products and services, such as green bonds, green funds, etc., to provide investors with diversified sustainable investment options [8].

4. Suggestion

4.1. Strengthen Policy Guidance

Continue to deepen the relevant work of the 12th Five Year Plan for Green Development, continuously improve the policy system for green industries, make its goals clearer, and enable it to play an effective role. Seriously establish a sound government level policy system, focusing on environmental protection and low-carbon upgrading, providing sufficient support and professional guidance for enterprises, and helping them smoothly implement green and low-carbon upgrading.

4.2. Promote Technological Innovation

Vigorously increase support for green technology research and development, actively encourage enterprises to further strengthen technological innovation through the introduction of a series of preferential policies and incentive measures. The society will make every effort to build a highly market-oriented, vibrant and competitive green technology innovation system, and adopt a variety of effective means to promote the sustainable development and improvement of the system of high-end and intelligent industries [9]. Learn from the successful experience of advanced regions and countries, strengthen basic research, focus on the development of green core basic components, etc., and accelerate the improvement of the basic capacity of green industries. Deepen industry-university-research cooperation, strengthen the connection of all links in the green technology innovation chain, attach importance to the construction of talent echelons, and further improve policies and measures such as the introduction and incentive of green technology talents.

4.3. Strengthen Personnel Training

One the one hand, train professionals to meet the needs of green industries, improve the supply quality of human resources, and provide talent support for industrial development. On the other hand, encourage green technical personnel to continuously improve their professional skills and keep up with the pace of The Times [10].

4.4. Counties will Promote the Development of a System of Standards

Establish a green technology standard system, guide enterprises to innovate green technology with standards, and carry out relevant standard research. Build a green consumption information system with the help of new technologies, strengthen the application of innovative technologies, and smooth the production of green products and quality verification and traceability channels [11]. Improve the green certification management and supervision mechanism, check green products and their production and operation enterprises in the form of regular or irregular random inspections, give severe sanctions to violations, and include in the list of dishonest management.

4.5. Promote the Transformation of Sustainable Technological Innovation

Concentrate on establishing a number of professional and standardized green technology transfer, trade and industrial service platforms, actively introduce advanced management concepts and technical means, give full play to the role of the platform as a bridge, effectively promote the effective transformation of advanced technological achievements and comprehensive demonstration, and accelerate the industrialization process of green technology [12].

Strengthen the capacity building of green technology trading intermediaries, create a number of green technology innovation third-party testing, evaluation, certification and other intermediary services, and cultivate a number of professional green technology.

4.6. Improve the Agricultural Development Model

Country will vigorously carry out the construction of beautiful fields and high-standard farmland, create beautiful fields projects, and explore experiences that can be replicated and promoted. Country will establish and improve a system of farmland rotation and fallow, and encourage the implementation of centralized and continuous plots. Improve ecological compensation standards and actively explore the establishment of green, ecological, and circular agricultural development models that are suitable for local characteristics.

5. Conclusion

As a new financial model, green finance can not only facilitate the green recovery of the economy, but also reach a mutually beneficial situation between the increase of economy and the conservation of environment. In the process of post-epidemic economic reconstruction, countries should strengthen the formulation and implementation of green finance policies, Boost the development of green technologies and green industries through financial innovation and the play of market mechanisms, and make greater contributions to the realization of global climate change response goals and sustainable development goals. Concurrently, green finance can make contributions to the green recovery of the economy after the epidemic. It also faces some challenges, such as inconsistent green finance standards, inadequate information disclosure, and insufficient market liquidity. Therefore, it is necessary for the government, financial institutions and enterprises to work together, strengthen cooperation, improve the green financial system, promote the development of green finance, and provide strong support for the green recovery of the economy after the epidemic.

In the future, the market should also help the development of green economy from the following points. Promote transformational financial services: Learn from relevant transformational financial frameworks, introduce transformational financial standards for key industries, enrich the supply of transformational financial products, and help the real economy transform fairly. Improve the capacity of carbon accounting and environmental information disclosure;

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