

Research on Green Financial Services and Rural Revitalization under the "Dual Carbon" Goal: Take Xuancheng City as an Example

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ABSTRACT

The path of green financial services for rural revitalization is a booster to achieve the goal of "green development, circular development, and low-carbon development". Although it has broad prospects and initial results, this path is not yet sound and there are still many constraints and bottlenecks. Based on the existing literature and data and the collection of relevant data, this project will provide a positive impact on Anhui from three aspects: supporting green financial services, constraints and solutions Xuancheng City conducts field research. Learn from the local government and residents about the details and deficiencies of the implementation of green financial services and rural revitalization, collect the data we need through questionnaire surveys, establish a model analysis of the data, and give policy suggestions based on the local development situation, so as to actively promote the local area innovation in green finance. It will also optimize the rural revitalization system of green financial services, improve the feasibility of its implementation, promote the use of green financial technology products according to local conditions, and promote the development of rural revitalization in the direction of green and sustainable development across the country.

KEYWORDS

Green finance; Rural revitalization; Sustainable development.

1. INTRODUCTION

Green finance refers to a financial activity in which financial institutions fully consider ecological protection and environmental governance factors in their business activities, guide the flow of factor resources from high-pollution, high-energy-consumption, and low-value-added industrial sectors to low-pollution, low-energy, and high-value-added industrial sectors, and promote sustainable economic and social development. Rural revitalization is the revitalization under the new development concept, which is to coordinate the protection of the ecological environment and the rational development and utilization of resources, promote the formation of a green and sustainable industrial structure and production mode, and finally achieve the strategic goal of beautiful and livable villages.

2. BACKGROUND

2.1. Research significance

In 2021, General Secretary Xi Jinping proposed at the 75th session of the United Nations General Assembly that China should achieve carbon peak by 2030 and carbon neutrality by 2060. It is of great significance to reconstruct the relationship between the environment and the economy and grasp the "dual carbon" goal for sustainable economic development and environmental protection. Since the 18th National Congress of the Communist Party of China, rural revitalization has been one of the strategic goals of development, and the realization of a comprehensive rural revitalization strategy and the promotion of agricultural and rural modernization have always shouldered the responsibility and mission of achieving the dual carbon goals, and it is urgent to strengthen the coordinated progress of promoting the dual carbon and rural revitalization goals. Xuancheng City, Anhui Province, keeps up with the development trend of the times, actively responds to the national strategic goals, implements the rural revitalization strategy, promotes high-quality development, actively carries out green financial service innovation, starts the monetary policy of the central bank, further promotes the structural reform of the agricultural supply side, increases credit for rural revitalization and "one place and six counties", vigorously promotes the development of rural industries, rural infrastructure, ecological environment and the construction of "one place and six counties", and helps rural revitalization and the realization of the "double carbon" goal.

2.2. Research direction

Based on the "dual carbon" goal, by understanding the local green finance policies, explore the current shortcomings of green financial services for rural revitalization, proposing solutions suitable for local conditions, and promoting the use of green financial technology products, so that rural revitalization can develop in a green and sustainable direction.

2.3. Research status and trends at home and abroad

An Guojun and Liu Kun (2018) studied the role of green finance in rural revitalization, and proposed that in the process of rural revitalization and development of green financial services, it is necessary to effectively coordinate the relationship between the central government and local governments, the government and the market, and promote the effective combination of the top-down promotion of green finance to support green development and the bottom-up implementation mode. Wang Bo and Zheng Liansheng (2019) studied the contradiction between supply and demand of green finance in rural revitalization, and proposed that the rural revitalization strategy of green financial services should be based on the origin of financial services for the real economy. Xiao Gang (2020) shows that green finance plays an important role in the realization of the "double carbon" goal, and puts forward a framework of five aspects for how to further develop green finance in China in the future: government leadership, giving full play to the role of market entities and market mechanisms, strengthening financial innovation, strengthening the construction of financial infrastructure and the system of green finance laws and regulations. Guo Dayong (2022) pointed out that green financial products and services are emerging, practices are becoming more and more abundant, and the innovation of green financial instruments is deepening. The development of green finance needs to adhere to the system concept, deepen reform and innovation, give full play to the joint efforts of multiple parties, amplify the synergistic effect of green finance development, improve the ability of financial environmental risk management, and build a financial system with environmental risk adaptability. Liao Lin (2022) proposed that finance is an important force to achieve the "dual carbon" goal by developing green finance to improve the quality and efficiency of services, and it is necessary to provide credit support, innovate service means, promote safe carbon reduction, improve global financial governance, and improve financial standards. At the same time, he put forward four

suggestions for thinking about improving the quality and efficiency of the "double carbon" goal of financial services. Zhou Mingdong and Fan Chuang (2021) took green finance to help rural revitalization in Jiangsu Province as an example, and obtained the evaluation of the effective connection between financial assistance for poverty alleviation and rural revitalization through practical investigation and analytic hierarchy process (AHPmethod). To achieve a smooth transition, it is necessary to further improve and optimize the green policy system based on reality, take measures according to local conditions, strengthen classification guidance, and at the same time, it is also necessary to diversify the investment pattern to accelerate the "awakening" of "sleeping" rural assets and resources as much as possible. Lan Ziyou (2022) summarized the "Quzhou experience" with Quzhou characteristics, and put forward suggestions such as the combination of green concept and urban culture concept, and the need to continue to promote the upgrading of green financial service platforms and financial product innovation. Dong Chunxiao and Xu Sheng (2022) made a theoretical analysis of the rural revitalization strategy of green financial services, put forward its existing problems, and gave five paths: improving the policy and legal environment of green and low-carbon finance, enriching green financing channels, building a complete green and low-carbon financial system, and building a financial regulatory framework suitable for rural finance. Chen Honghong (2022) pointed out that there is an obvious imbalance in the distribution of green credit and green bonds in our current industries, among which the price fluctuations in the carbon trading market are of significant guiding significance to some enterprises, but their coverage is still relatively limited, and the marketization of transactions is still insufficient.

3. CURRENT SITUATION AND EXISTING PROBLEMS

The application of green finance in the rural revitalization of Xuancheng in Anhui Province has achieved certain results, but there are also some problems. The following will analyze the current situation and existing problems of green finance in Xuancheng area.

3.1. Analysis of the current situation

(1) Green finance policy support: Xuancheng actively responded to the call of the state and introduced a series of policies and measures to support the development of green finance. For example, the provision of financial subsidies, tax incentives and other measures have created a good policy environment for green financial institutions.

(2) Rich and diverse green financial products, Xuancheng rural areas have innovatively launched a series of green financial products, such as green credit, green bonds, green insurance, etc., providing financial support and risk protection for the green development of the rural economy.

(3) The financial service network covers a wide range, and the green financial institutions in Xuancheng area are gradually improving, and financial institutions such as banks, trusts, and insurance companies have set up green finance departments or provided related financial services, providing more convenient financial services for local rural areas.

(4) Improvement of financial awareness of rural residents: With the publicity and promotion of green finance policies, the awareness and awareness of rural residents in Xuancheng have improved, and they have gradually accepted and used green financial products, which has promoted the development of green industries in rural areas.

(5) For the development of rural finance, the Xuancheng Branch of the Postal Savings Bank selected 38 credit villages in Xuancheng District and set up 26 rural revitalization financial studios, which were 70% reach, 50% credit and 20%. The standard of credit use has been steadily promoted.

3.2. Existing problems:

3.2.1. Lack of professional talent

The development of green finance in Xuancheng is constrained by the lack of professional green finance talents and technicians. This leads to certain difficulties in the design of financial products and the assessment of financial risks.

3.2.2. Imbalance in funding demand

Although green finance has achieved some success in the Xuancheng area, it still faces the problem of unbalanced funding demand. Some rural areas, especially remote areas, have not yet received adequate support and services from green finance.

3.2.3. Insufficient risk management

Green finance involves green industries in rural areas, and these industries often have certain risks, such as weather disasters and market fluctuations. At present, green financial institutions in Xuancheng area need to strengthen risk management.

3.2.4. The regulatory system is not yet perfect

The development of green finance requires a sound regulatory system to ensure the compliance and stability of financial institutions and products. The regulatory system for green finance in Xuancheng has not yet been perfected, and it is necessary to further strengthen supervision and improve relevant policies and regulations.

4. CONCLUSIONS AND RECOMMENDATIONS

4.1. Conclusion

Based on the in-depth research on rural revitalization and green finance in Xuancheng, Anhui Province, the following conclusions can be drawn:

Green finance has played an important role in promoting rural revitalization. By increasing financial support for green industries, rural employment can be promoted, farmers' incomes can be increased, and ecological environmental protection and sustainable development goals can be achieved at the same time.

In Xuancheng, Anhui Province, there are still some problems and challenges in the development of green finance, including insufficient financial services, lack of innovation in green financial products, and insufficient risk awareness of rural revitalization projects by financial institutions.

4.2. Policy recommendations

Based on the conclusions of the study, this paper puts forward the following policy recommendations to further strengthen the role of green finance in rural revitalization:

(1) Improve the green financial market system, enrich green financial instruments, and promote the innovation of green financial products. The biggest problem restricting the development of green projects is still the shortage of funds. Only by standardizing the market system can we accelerate the green transformation of financial institutions and enrich green tools, including green insurance, green credit, green bonds, green funds, and carbon finance.

(2) Establish and improve the policy mechanism of green finance to support rural revitalization. Develop rural green finance through financial discounts, investment compensation, risk subsidies and other measures to build a circular economy system of circular agriculture, and learn from foreign experience to implement the green finance sector that transfers the management of interest discounts

to banks in pilot areas to expand the scope of green discounts. Introduce fiscal safeguard measures to support financial institutions in issuing green credit to rural economic entities through fiscal interest discounts, reduce social financing costs through re-lending, and improve the efficiency of the market's response to green policies.

(3) Optimize the design of green financial products. Financial institutions shall, according to the needs and characteristics of rural revitalization, develop financial products suitable for the development of rural green industries, such as green loans and green bonds, to meet the financing needs of rural enterprises.

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