

DIRECTIONS OF APPLICATION OF THE CHINESE EXPERIENCE OF GREEN FINANCE IN BELARUS

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The article offers some recommendations for the development of green finance in Belarus, taking into account the experience of China, the use of which will contribute to the economic security of the country with its intensive development.

Keywords: Belarus; China; Green finance; development proposals; sustainable development.

НАПРАВЛЕНИЯ ПРИМЕНЕНИЯ КИТАЙСКОГО ОПЫТА ЗЕЛЕННОГО ФИНАНСИРОВАНИЯ В БЕЛАРУСИ

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В статье предложены некоторые рекомендации развития направления зеленого финансирования в Беларуси с учетом опыта Китая, применение которых будет способствовать экономической безопасности страны в условиях ее интенсивного развития.

Ключевые слова: Беларусь; Китай; зеленые финансы; предложения по развитию; устойчивое развитие.

The development of green finance can not only help protect the environment and ensure the sustainable development of natural resources, but also have a positive impact on the sustainable and safe development of the economy. Green finance can help improve the technological level of enterprises and achieve sustainable economic growth by modernizing the industrial structure. The economic development of society in the 5-th technological order, which

was based on the use of non-renewable energy sources, contributed to significant environmental pollution. In modern society, living at the junction of the 5-th and 6-th technological order, the impact on the economic growth of the country is directly related to both the level of digitalization of processes and the level of development of green finance.

When green finance develops to a certain extent, it will obviously contribute to overall economic growth and increase the level of economic security of the country. At the same time, green finance can directly affect the ecological environment, and a good ecological civilization will also promote economic growth. The funds necessary for the development of ecological civilization require the participation and support of green finance, so it is necessary to increase green innovation and investment.

Scientific studies show that the financial markets in Belarus are not sufficiently developed to stimulate economic growth. The share of loans of the country's banking system in GDP at the end of 2022, according to calculations based on official statistics [1], is 25 % with a downward trend compared to its value of more than 30 % in 2020 (fig. 1) (an average value for developing countries – more than 40 % [2]).

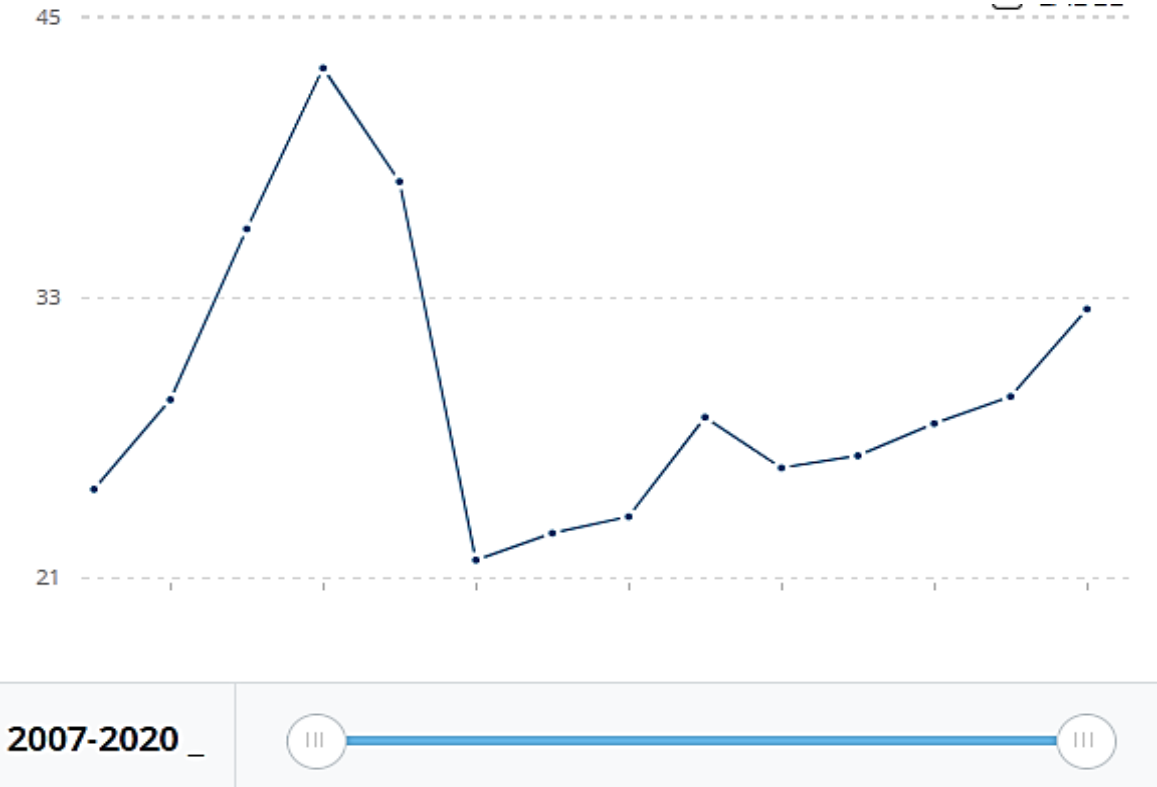


Fig. 1. Domestic credit to private sector (% of GDP) – Belarus, 2007–2020
 Source: [3].

The growth rate of loans of the banking system of Belarus according to the results of calculations according to [1] is less than the growth rate of its assets, that is, the dynamics of lending in the country is negative. This is largely due to the restrictive monetary policy of the country's central bank (low monetization of the economy, high cost of loans to the real sector of the economy) and the lack of mechanisms to stimulate the country's economic development through targeted emission of the national currency for the innovative development of enterprises within the framework of the modern technological order or the formation of effective mechanisms development of capital markets. These moments must be neutralized by stimulating innovations and their financing, which will reduce cost inflation and allow the country's economy to enter a new stage of safe and efficient development.

The amount of green finance in Belarus is currently negligible (fig. 2), although banks are allowed into green finance projects.

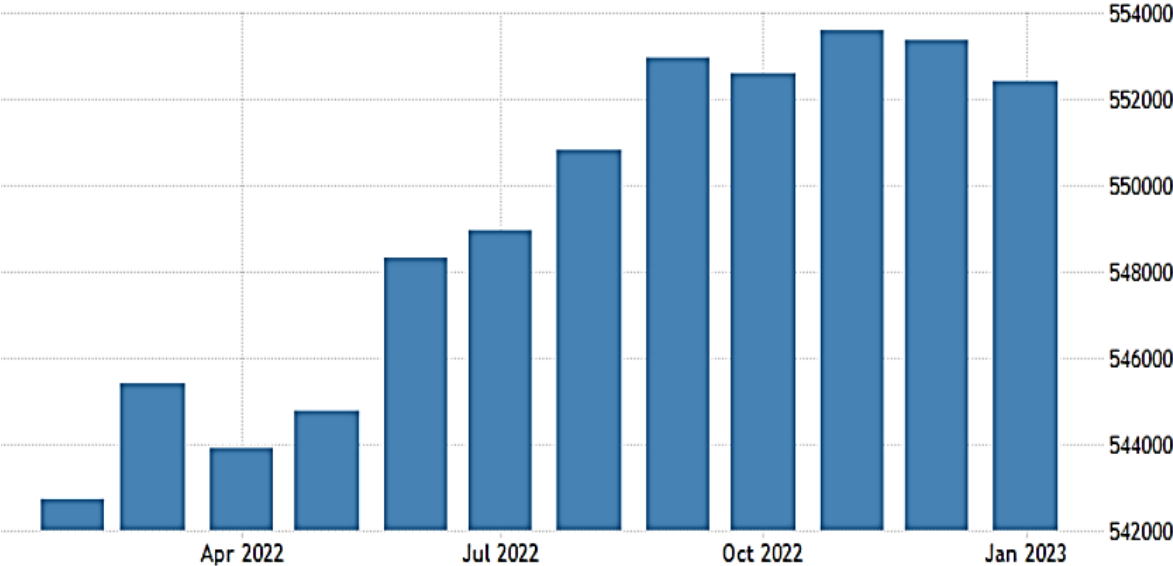


Fig. 2. Green Finance Data (US doll.) – Belarus, 2022–2023

Source: [3].

Belarusian researchers indicate the amount of green funding needed in Belarus. Thus, in [4] the public sector's need for green financing as of 2022 is 17,2 billion Belarusian rubles (about 7 billion US dollars), including 2,3 billion Belarusian rubles for minimizing the disposal of municipal solid waste.

Obviously, additional stimulation is required for both the country's economic growth and the involvement of the country's banking sector in this process, including taking into account the currently opening opportunities for the development of the Eurasian region of the planet [5]. This will be facilitated by the application of the Chinese experience in the development of the econ-

omy and the financial sector in terms of obtaining synergy from state support for strategic projects and regulation of economic processes/market mechanisms [6]. Considering the foregoing, it is possible to propose concrete measures for the near future: to increase the participation of banks and the stock exchange in organizing the financing of long-term projects, for example, to improve the ecology of the city of Minsk, which is currently actively developing, including through the issuance of state-guaranteed green bonds or long-term lending.

One of the projects, in our opinion, could be the development of processes for the modern disposal of municipal waste from the city. According to data from open sources of information Republic of Belarus has achieved great success in the use of municipal solid waste, the level of use of which has increased by 3.2 times compared to 2012. However, air quality in large cities needs to be improved. Belarus has adopted a National Strategy for the Management of Solid Domestic Waste and Secondary Material Resources (was approved in 2017). This strategy defines the main paths that the country will take to achieve a recycling rate of 90 % by 2035. It is obvious that in this part it is necessary to finance the costs, the volume of which usually increases in the process of implementing long-term projects compared to those planned in advance. The banking system, which is clearly experiencing a shortage of high-quality investment projects to participate in financing, given the above data on a decrease in the share of loans in the country's GDP, can offer ways to actively participate in green financing of large-scale projects, given the experience of China.

In terms of forming a strategy for the development of green finance in Belarus, we can recommend using the following proposals:

1. Improve the construction of information infrastructure. The development of green finance requires the transmission and processing of large amounts of data, fast and efficient information infrastructure to ensure high-speed and stable transmission of massive data, as well as higher computing requirements. First, create an information platform to consolidate the database for the development of green finance. Secondly, to create a multi-level system of computing power.

2. Strengthen support for green finance talents: increase training and certification of practices and qualifications, provide good conditions for international exchange and cooperation, develop a wage growth mechanism.

In our opinion, using the experience of China – a country with active economic growth and a similar model of economic development (a strong state and support for constructive private initiative) – will contribute to the formation of accelerated and safe economic growth in Belarus.

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