

# Research on the System Construction and Strategy of Wuhan Investment Attraction Project under the Background of Ecological Environment Protection

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**Abstract:** With the rapid development of the world economy, more and more countries realize the importance of environmental protection, and actively optimize the system construction to promote investment projects. Based on the literature review, this paper analyzes the importance of strengthening the ecological environment protection and actively optimizing the system to attract foreign investment in Wuhan, and puts forward some measures to protect the ecological environment and promote the investment project in Wuhan, so as to promote the healthy and stable development of environmental protection and foreign investment economy in Wuhan.

## 1. Introduction

Under the background of global attention to environmental protection, Wuhan should actively carry out institutional optimization design and reform to attract international capital into central Wuhan for investment and development. At the same time, the entry of commercial investment and international capital can promote the optimization of investment environment and institutional reform in Wuhan, and promote Wuhan to actively walk in the forefront of the world cities.

With the continuous strong and rapid economic development for many years, China has become a world trade power, as a big country to lead or participate in the formulation of world trade system and rules, has become increasingly important. The world increasingly pays attention to ecological environment protection of the 21st century and faces the new normal background, especially in the "area" strategy, driven by our country to deal with the impact of world trade patterns and the original trade system and carry out effective reform<sup>[1]</sup>. We need to play a leading role in the world trade stage and can dominate a new world trade system and rules. To effectively attract more and faster international capital into China has become a very important and urgent topic. In this context, Wuhan is also actively integrating into the tide of globalization, docking the "Belt and Road" strategy, on the basis of protecting the ecological environment, vigorously promoting the "No. 1 Investment Attracting Project", absorbing domestic and foreign capital, and making contributions to the construction of Wuhan<sup>[2]</sup>.

Therefore, we need to actively discuss the system construction and strategy research of investment attraction in Wuhan under the background of ecological environment protection, so as to provide decision-making basis for government departments to formulate relevant policies and boost Wuhan to become a national central city.

## 2. Literature Review

Now the academic history of relevant research at home and abroad is sorted out and research trends are analyzed. From the perspective of ecological and environmental protection, foreign scholars have conducted certain studies on investment attraction, trade and investment system construction and absorption of international capital. Porter and Vander Linde(2012) believe that enterprises actively carrying out environmental protection can promote technological innovation, reduce total production cost and improve enterprise value, thus enhancing their competitive advantages. Dasgupta and Laplante(2014) showed that environmental inspection was beneficial to

improve enterprise environmental performance. Motta(2015) used data from 325 large and medium-sized industrial enterprises in Brazil to investigate the impact of government regulations on corporate environmental performance, and believed that when the government is the single subject of environmental pollution control, enterprises are less willing to comply with environmental standards<sup>[3]</sup>. These foreign scholars' research on industrial transfer, enterprise production and government's environmental protection also provided certain reference and reference for Wuhan's introduction of foreign investment, system construction and environmental protection.

Under the background of ecological and environmental protection becoming more and more important, domestic scholars have also made some researches on investment attraction, reform of investment attraction system, transfer of international capital and absorption of foreign investment. Tang Qing and Yuan Huiming (2013) analyzed the correlation between the transfer of international polluting industries and environmental pollution in Guangdong Province, and finally concluded that foreign investment worsened guangdong's environment. Zhou Quanxiong (2016) empirically tested the relationship between government intervention and enterprise emission reduction incentives by using inter-provincial panel data of sulfur dioxide emissions. Zhang Xuegang and Zhong Maochu (2018) made a regression analysis of the panel data of provincial pollutants in recent years including the government's environmental regulations, and believed that the government must implement more strict and effective environmental regulation policies to improve environmental quality. Tao Feng et al. (2019) pointed out that in the construction of a trading power, the government must strengthen institutional quality construction<sup>[4]</sup>; Sun Churen et al. (2019) focused on the study of trade openness and the importance of a city's system for economic growth<sup>[5]</sup>. The research of domestic scholars in this aspect has important reference value for the system reform, investment attraction and coordinated development with the ecological environment in Wuhan.

### **3. Relevant Significance of the Study**

We study in the analytical framework of new institutional economics and investment theory, so that institutional economics theory and trade and investment theory can be better integrated together. The research on how to attract investment and reform of investment system and innovation mechanism enriches the theoretical basis of reform of trade system and innovation of foreign capital investment mechanism in the field of international trade theory and policy.

This study is helpful to further enrich and enrich the connotation of the theory of new institutional economics under the new economic norm. We can attract investment, trade, system reform and absorb international capital system, it is good in the new institutional innovation system in the theory of new institutional economics, the theory of new institutional economics and the theory of international trade system can obtain better fusion. It further highlights the significance and academic value of institutional economics research.

With the promotion of the "Belt and Road" strategy, The scale and quantity of China's attracting foreign investment are increasing. Global investment promotion and capital introduction, international industry shift and transnational investment is inexorable trend of world economic development, accompanied by the transfer of industry. The environmental pollution has become an unavoidable problem, in the process of investment promotion and capital introduction. It is undoubtedly a good opportunity, external industry and capital technology for Wuhan. It plays an important positive role in promoting the economic development of Wuhan. Facing the current situation, how to coordinate investment attraction and system construction under the premise of protecting the environment is a major issue.

Therefore, we need to actively promote the construction of Wuhan to national central city and international metropolis, Wuhan is also in the Yangtze river new town, planning construction and implementation of "investment" number one project, to promote Wuhan investment environment and the rapid development of industrial economy and attract investment and reduce the pollution to the environment. It promotes economic harmonious development of ecological environment and upgrades of industrial structure, it is great significances to build a happy Wuhan.

## **4. Measures to Strengthen the Protection of Ecological Environment and Promote the Construction of Investment Attraction Project System in Wuhan**

### **4.1. Optimize Property Rights System to Attract Foreign Investment**

Attracting foreign investment is a very important part of Chinese foreign trade system and policy. Wuhan needs to actively optimize the property rights system, protects the legitimate rights and interests of state-owned enterprises, private enterprises and foreign-invested enterprises in the market economy, and promotes the improvement of Wuhan's trade system and policies. We must improve the system of property rights, actively build guarantee smooth operation of the property market economy legal system, strengthen the protection of private property rights, foreign capital to enhance the confidence of investment and development in Wuhan. Wuhan also needs in corporate taxes and the financial sector to establish the related system, promotes the regional legal system and the improvement of the institutional environment. Before foreign investors make direct investment in the mainland market, they will investigate the local strength of intellectual property protection. If the strength of intellectual property protection is very low, it is likely that the knowledge and technology of foreign enterprises will be copied and stolen by competitors. Investors' advanced technology and information will face great economic losses and risks, which will make foreign investors, postpone or withdraw from investing in the country, thus making it difficult for FDI to produce positive spillover effect. Therefore, the establishment of a good trade system in Wuhan can effectively guide foreign investment into the local, promote the positive spillover effect of FDI, and accelerate the development of local manufacturing industry in Wuhan.

### **4.2. Establish Appropriate Enterprise Environment Access Standards to Prevent Foreign Investment in Polluting Industries**

In foreign investment in the mainland market, institutional change can positively promote the trade and foreign investment spillover effect, but also see foreign investment into the negative effect brought by the local, after all, foreign enterprise is based on profit maximization as the goal, some foreign investment enterprises may engage in polluting project, it will bring great damage to the local ecological environment. Therefore, for the sustainable development of Wuhan's economy and the protection of people's rights and interests of life and health, we must formulate appropriate environmental standards, restrict the entry of polluting projects, reduce the environmental costs of foreign investment, and effectively utilize the social and economic performance of foreign investment. Polluting projects brought by foreign investment can bring capital and technology, improve the performance of local government officials and solve the employment problem of local residents. However, from the perspective of Wuhan's long-term economic development, the negative impact of ecological damage will be greater than the economic benefits gained. Therefore, Wuhan should establish a strict environmental access system to limit the entry of foreign polluting enterprises. We also actively to enhance the overall environmental awareness of the public, to strengthen the environmental protection propaganda, establish supervision and reporting mechanism, give full play to the supervision of the people, for them, such as serious destruction of ecological foreign companies to report, they resolutely prevent and put an end to the foreign capital enterprise high polluting industries.

### **4.3. Introduction of Foreign Investment to Improve the System Construction of Investment Attraction Project in Wuhan**

Wuhan can make better use of the capital, technology, talents and advanced management experience brought by foreign capital by actively promoting investment promotion projects, and actively learn from foreign governments' control measures on foreign investment, so as to further improve the control system of government departments in charge of foreign enterprises. Wuhan actively attracts foreign investment and promotes the construction of foreign investment value chain guiding system. We have revised the catalogue of industrial investment and stipulated specific industries. This industry-oriented policy is beneficial to the industrial development of Wuhan and promotes the upgrading and optimization of Wuhan's industrial structure. We should strengthen the

construction of foreign investment system, promote the design of relevant systems, and pay attention to the role of foreign investment in the division of the value chain as an important standard of investment policy, actively introduce good foreign investment, so as to promote the better use of foreign investment in Wuhan.

## **5. Conclusion**

With the rapid development of urban economy and trade, ecological environment protection has become a very important link in urban construction. In promoting investment attraction project, Wuhan needs to carry out system construction, actively protect the ecological environment, introduce green environmental protection industry, and promote the rapid development of manufacturing industry. Wuhan is striving to have more say in the formulation of trade rules and regulations by optimizing the construction of investment attraction system. By actively promoting investment projects, we can obtain more foreign exchange income, better attract foreign international capital to enter Wuhan market, and promote industrial structure upgrading and economic development of Wuhan. With the rapid development of trade and economic booming and attracting FDI, Wuhan related investment policy and system construction is continuing to improve, relatively good institutional environment and investment prospects better able to attract foreign capital and related industry enter the market in Wuhan. Under the environment of ecological environment protection and meeting the transfer of external industries, Wuhan actively promotes the system construction of investment attraction project, which plays a very important role in Wuhan's economic development. This will help Wuhan to actively attract foreign investment, further expand foreign economic exchanges, optimize the commercial system environment, attract businesses to invest and start businesses in Wuhan to a greater extent, and guide the rational flow and transfer of international and external industries to Wuhan. At the same time, it is conducive to Wuhan manufacturing enterprises to introduce advanced technology and management experience, and then participate in international competition. This improves Wuhan's overall commercial competitiveness and promotes Wuhan to an international metropolis.

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