

Research on the Countermeasures of digital Inclusive Finance to help China's Rural Revitalization

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Abstract: "Rural Revitalization Strategy" was put forward in the report of the 19th CPC National Congress. The strategy points out that the issue of "agriculture, rural areas and farmers" is the top priority in the work of the party and the state. We should give priority to the development of agriculture and rural areas and implement rural revitalization. To achieve rural revitalization, financial support is essential, especially Inclusive Finance. The financial technology represented by ABCD continues to innovate, break the business logic of traditional finance in the field of Inclusive Finance, improve the touch ability of Inclusive Finance, constantly expand the boundary of inclusive financial services, and provide technical feasibility for solving the basic contradictions of Inclusive Finance.

Keywords: Digital Inclusive Finance, rural vitalization Innovation-driven development

1. Digital Inclusive Finance and Rural Revitalization

In recent years, with the rapid development of China's economy, although it has maintained a good development momentum, with the expansion of the gap between urban and rural areas, rural development obviously lags behind cities and towns. Therefore, it is urgent to promote agricultural and rural development and narrow the gap between urban and rural development. In October 18, 2017, general secretary Xi Jinping formally put forward the strategy of Rural Revitalization in the nineteen major reports of the party, expounded the importance of solving the "three rural problems", and put forward the schedule of digital Inclusive Finance.

With the increasing breadth and depth of the financial industry using digital technologies such as Internet and mobile communication, the traditional financial transaction and service model is also changing. Inclusive Finance with the characteristics of ABCD has become the general trend. The concept of digital Inclusive Finance was first put forward at the G20 summit in Hangzhou in 2016. The institutional design of the advanced principles of G20 digital Inclusive Finance is consistent with the Rural Revitalization Strategy, which shows that taking digital Inclusive Finance as the main means to promote the Rural Revitalization Strategy is in line with the development needs. Digital Inclusive Finance reduces transaction costs and financial service threshold through information sharing, and effectively solves the bottleneck of the development of Inclusive Finance.

2. Analysis on the problems of digital Inclusive Finance helping rural revitalization

2.1 Common Problems

The principle of digital Inclusive Finance focuses on innovation and risk, law and framework, infrastructure ecosystem, consumer protection, financial knowledge popularization and digitization. However, in the implementation, it is found that the specific scheme and relevant supporting facilities are not perfect. The key issue is security. If China only relies on the CBRC and the central bank, the level of leading departments is low, and it is difficult for other ministries and commissions to coordinate smoothly. In addition, the coordination mechanism with local governments at all levels is not perfect, so it is difficult to form a joint force for overall promotion. In China, there is no clear legal provision to regulate the development of digital Inclusive Finance, which leads to the low enthusiasm of financial institutions to develop digital inclusive finance business, which greatly affects the in-depth development of Inclusive Finance in China.

2.2 Insufficient Capacity

First, the development of digital Inclusive Finance in rural areas depends on the support of infrastructure. Digital Inclusive Finance first needs stable and reliable network support. The failure in the use of the network may lead to the interruption of transactions and the loss of consumers' interests. In addition, high Internet costs will prevent low-income people from using digital Inclusive Finance.

Secondly, China is gradually establishing a new social governance system with credit as the core. The measures of keeping promises, encouraging and punishing dishonesty make the role of China's credit supervision system increasingly obvious, and the increasingly perfect means of credit supervision also play a more and more important role.

In addition, some digital trading platforms are not included in the risk early warning monitoring and anti money laundering monitoring system, and there is no standardized exit mechanism for digital trading platforms in the exit stage. Special institutional arrangements are needed for the conditions of partial acquisition, reorganization and bankruptcy application, as well as how to deal with the loan contract relationship reached on the digital trading platform. These difficulties increase for farmers, resulting in increased loan risk of financial institutions.

2.3 Insufficient Power

The coverage of digital inclusive financial products in financial services is limited, and residents' awareness of digital Inclusive Finance is generally not high. The penetration of financial and insurance products is not enough. Communication with the bank's credit system is limited by the bank's internal management system, and it is difficult to pass the online financing process. Residents use mobile banking with relatively single function and low utilization rate. They mostly use it as a transfer and remittance tool. Because the rural agricultural economy is dominated by aquaculture, there are huge natural and market risks. In addition to basic financial services such as deposit, withdrawal and payment, financial institutions mainly provide financial services with small loans. Single financial product, short credit term, small amount and high intangible financial risk.

3. Countermeasures of Digital Inclusive Finance Helping Rural Revitalization

3.1 Improve the Macro Environment

First of all, we should improve the organizational security system. The central government should establish a special committee on inclusive financial development with other relevant ministries and commissions as members to effectively improve the organizational guarantee of digital Inclusive Finance; secondly, we should clarify the assessment system. Formulate a specific implementation plan, accurate to the tasks or objectives to be achieved at each time point or within a specific time period. At the same time, a virtuous circle of assessment and investigation system shall be established, and the work shall be implemented for individuals or units. Thirdly, we should do a good job in supervision and pay attention to practical results. The government should formulate a framework conducive to the development of digital Inclusive Finance, encourage the use of digital technology to establish layered digital inclusive financial products and services, implement differentiated regulatory means for digital Inclusive Finance, and establish and improve policy support for the development of digital Inclusive Finance. Finally, we should establish a benign interactive working mechanism. The linkage vertical working mechanism between central ministries and local governments and the horizontal cooperation mechanism between government departments and financial institutions adopt the form of joint division of labor and cooperation to create a virtuous circle policy environment and financial ecological environment for the development of digital Inclusive Finance.

3.2 Improve Ability

Strengthen the promotion and use of online banking, guide farmers to use online banking, use mobile devices and the Internet to publicize the safety knowledge of digital Inclusive Finance, and ensure that people who need digital inclusive finance can standardize the use of this new rural financial service. In addition, we should strengthen the application of non cash payment instruments in rural areas, establish a relatively perfect digital payment and settlement system, and increase the convenience of rural digital inclusive financial payment and settlement. By simplifying the process of

micro payment business and improving the construction of rural financial payment system facilities, we can effectively promote the full coverage of rural financial basic services.

Information sharing is an effective measure to solve the problem of information asymmetry. Financial institutions can accurately obtain the borrower's credit information, evaluate the borrower's credit, and then determine whether to exempt the borrower's real right mortgage or pledge. The borrower will also pay more attention to its own credit accumulation and will not easily default, which can effectively reduce the transaction cost and transaction risk of digital Inclusive Finance.

3.3 Excitation Power

Promote digital agricultural insurance products, deepen cooperation with insurance companies, develop insurance varieties with local characteristics, especially online insurance varieties, and reduce farmers' planting and breeding risks. At the same time, in order to better meet the financial service needs of different financial demanders, financial institutions must actively innovate digital inclusive financial products and services.

The willingness and ability of farmers to participate is the fundamental driving force for the development of digital Inclusive Finance. First of all, we should strengthen the promotion and popularization of digital inclusive finance knowledge in rural areas, so that the broad masses of the people have a clear understanding of digital Inclusive Finance. Such as regular training on financial knowledge such as mobile banking, online banking and third-party payment. In addition, in terms of innovative knowledge popularization methods, we should flexibly use online and offline tools to popularize financial knowledge through multiple channels, and make use of radio and television, newspapers and magazines, mobile news and other channels closely related to users' daily life to popularize financial knowledge from multiple angles and channels for a long time.

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