

Exploring the New Path of Promoting Rural Revitalization with Digital Inclusive Finance

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Abstract: *Digital inclusive finance is a new financial service model. Through digital technology and the concept of inclusive finance, it provides more convenient, efficient and safe financial services for the general public. Rural revitalization is an important strategic task in China at present, and digital inclusive finance can inject new impetus and vitality into rural revitalization. This paper takes digital inclusive finance as the starting point, discusses the application and role of digital inclusive finance in rural revitalization, and proposes a new path for digital inclusive finance to promote rural revitalization, including building and improving the supply side structural reform of digital finance, strengthening the construction of talent team, strengthening financial supervision, etc.*

Keywords: *digital inclusive finance; Rural revitalization; Financial services; Rural residents; economic development*

1. Introduction

Digital inclusive finance refers to providing more convenient, efficient and safe financial services for the general public through digital technology and inclusive finance concept. Today, with the continuous development of the digital economy, digital inclusive finance has become one of the mainstream models of financial services and one of the important directions of financial service innovation. Digital inclusive finance can provide more high-quality financial services for the general public, as well as broader market space and development opportunities for financial institutions^[1].

Rural revitalization is an important strategic task of our country at present, and it is also the only way to realize the comprehensive construction of a socialist modern country. The purpose of rural revitalization is to promote the development of rural economy and the improvement of farmers' lives, and to realize the integrated development of urban and rural areas and the overall progress of society. Digital inclusive finance can inject new impetus and vitality into rural revitalization, and provide more convenient, efficient and safe financial services for the development of rural economy and the improvement of farmers' lives

Therefore, studying the application and role of digital inclusive finance in rural revitalization is of great significance for promoting the development of digital inclusive finance, promoting rural revitalization and realizing the comprehensive construction of a modern socialist country.

2. Concept and characteristics of digital inclusive finance

2.1. Concept of digital inclusive finance

Digital inclusive finance refers to providing more convenient, efficient and safe financial services to the general public through digital technology and the concept of inclusive finance. Digital inclusive finance is a new model of financial services, which is characterized by digitalization, inclusiveness, innovation and sustainability. The development of digital inclusive finance cannot be separated from the support of digital technology, which provides a more convenient, efficient and secure service mode and means for digital inclusive finance. The development of digital inclusive finance is also inseparable from the guidance of the concept of inclusive finance. The concept of inclusive finance is an important foundation of digital inclusive finance. Digital inclusive finance should serve the masses of people and provide them with better financial services^[2].

2.2. Features of digital inclusive finance

(1) Digitize. Digital inclusive finance is a financial service model based on digital technology, and digitalization is one of the important characteristics of digital inclusive finance^[3]. Digitization can make financial services more convenient, efficient and safe, and also provide financial institutions with broader market space and development opportunities.

(2) Inclusiveness. The concept of inclusive finance is an important foundation of digital inclusive finance. Digital inclusive finance should serve the masses of people and provide them with better financial services. Digital inclusive finance can provide more convenient, efficient and safe financial services for the general public, and promote the popularization and inclusion of financial services.

(3) Innovation. Digital inclusive finance is a new model of financial services with innovative characteristics. Digital inclusive finance can provide more high-quality financial services for the general public through digital technology and inclusive finance concept, and can also provide broader market space and development opportunities for financial institutions.

(4) Sustainability. Digital inclusive finance is a sustainable financial service model with sustainable characteristics. Digital inclusive finance can provide more convenient, efficient and safe financial services for the general public through digital technology and inclusive finance concept, and can also provide broader market space and development opportunities for financial institutions to promote the sustainable development of financial services.

3. The Application and Role of Digital Inclusive Finance in Rural Financial Services

Digital inclusive finance refers to the use of digital technology and financial innovation to provide more convenient, efficient, safe and low-cost financial services for ordinary people. In rural financial services, the application and role of digital inclusive finance are mainly reflected in the following aspects:

(1) Improve the coverage of financial services. Traditional rural financial services are difficult to cover all rural areas and farmers due to the constraints of geographical, human, capital and other factors^[4]. Digital inclusive finance can realize remote financial services, break geographical restrictions and improve the coverage of financial services through Internet, mobile payment and other means.

(2) Reduce the cost of financial services. Traditional rural financial services require a large number of human, material, capital and other inputs, with high costs, which is not conducive to the expansion of service coverage. Through the application of technical means, digital inclusive finance can significantly reduce the cost of financial services, improve service efficiency and provide more affordable financial services for rural areas.

(3) Improve the efficiency of financial services. Traditional rural financial services usually require farmers to wait in line at the bank counter, which is inefficient. And digital inclusive finance can realize 24-hour online service through mobile payment, online banking and other means, improve the efficiency of financial services, greatly shorten the waiting time of farmers, and improve the service experience.

(4) Expand the scope of financial services. Traditional rural financial services mainly focus on loans and savings, while digital inclusive finance can provide more diversified financial services, such as insurance, funds, securities, etc., to meet the diversified financial needs of farmers and promote the development of rural economy.

4. Deficiency of inclusive finance in rural revitalization

Although digital inclusive finance has brought many positive impacts on economic growth, urban-rural income gap, industrial development and many other fields. However, due to the unbalanced development of urban and rural areas, the large income gap between urban and rural areas, the insufficient total supply of rural finance, and the obvious gap between urban and rural infrastructure in China for a long time, it is more difficult for digital inclusive finance to promote rural revitalization^[5]. In the process of boosting rural revitalization, China's digital inclusive finance has problems such as unbalanced supply, insufficient infrastructure, insufficient risk supervision and control, and lack of talents.

4.1. Unbalanced and insufficient supply of digital finance

It is the imbalance of institutional distribution of digital banks. Most banks are located in urban communities and places with higher levels of economic life. The allocation of financial resources per capital in vulnerable regions and regions with medium and low income levels is obviously lower than that in developed regions with medium and high income levels. Second, the financial coverage is not wide enough^[6]. Some rural areas and some vulnerable areas are still facing financial deficiencies and incomplete competition. At the same time, for some remote areas and places with relatively backward development, finance has not been reached, nor has the total population been reached, nor can their capital needs be effectively addressed. Although some people have no credit record and are not a fixed source of income, they still need finance and the help of financial institutions. Third, the development of rural areas is lagging behind that of cities and towns, and the attraction to social funds is weak. It is difficult for banks to develop agriculture related industries, and they cannot effectively serve all rural groups.

4.2. The construction of digital financial infrastructure lags behind

The development of digital inclusive financial services is also inseparable from the support of rural infrastructure. At present, the development of inclusive financial service infrastructure in China is also lagging behind. Although some banks are actively developing new financial service technologies and developing digital financial services, due to the vulnerability of local infrastructure, problems such as insufficient user scale and too difficult work have arisen. Forced to withdraw from the original construction plan^[7]. It means that our credit information network system construction in the field of inclusive financial services has always maintained this fragmentation and lack of connectivity. In the field of inclusive financial services development, there have been management gaps, mechanism deficiencies and policy flooding, and the construction of an inclusive financial services ecological environment is relatively fragile.

4.3. Lack of digital talents

In the context of the rapid development of China's digital economy, China's rural financial institutions still have a serious practical problem of a large number of personnel shortage. According to the Report of Questionnaire Analysis on the Development of Electronic Commerce in China, although rural commercial banks in China have made great efforts and achieved some success in electronic development, the lack of transformation resources and scientific and technological capabilities has become the biggest obstacle in the process of digitalization. At the same time, there are also many challenges to personnel, science and technology, big data, management concepts, systems and so on. However, many rural banks generally believe that innovative technical talents are the most critical content in implementing digital transformation^[8]. The real digital transformation is actually a comprehensive transformation in institutional structure, culture, business processes, management systems and so on, focusing on the transformation of "people" thinking. However, in rural financial institutions, especially those in remote areas, the average education level of employees is generally low, and the number and proportion of high-tech talents are small, which has become the main constraint for the development of large digital financial services.

4.4. Inadequate financial risk supervision and control

On the other hand, due to the large number of people in rural areas, a large gap in education, a relatively lack of bank knowledge, low awareness of their own credit, weak awareness of risk and credit protection, loan disputes, financing rights protection, risk default, lack of credit and other issues continue to highlight. In addition, people in rural areas have a strong traditional financial concept of borrowing and lending, and lack of understanding of the standardized bank lending channels, which has brought opportunities for illegal banks to conduct capital fraud and illegal lending activities. While traditional agricultural financial services focus on small agricultural groups, whose financial service objects tend to be inherently weak, and the level of operational risk is correspondingly high. In addition, after the implementation of electronic transformation and digital financial services in rural finance, there are still new digital challenges.

5. Policy suggestions and path exploration

The in-depth promotion of rural digital inclusive finance needs to face up to the outstanding problems in terms of weak infrastructure construction, upgrading financial risk challenges, lack of rural financial talents, and find effective ways to solve them reasonably, so as to give full play to the leverage role of digital inclusive finance in rural construction, and help the sustainable development of rural revitalization strategy.

5.1. Promoting supply side reform of rural financial institutions

On the one hand, we should continue to improve the service supply system of agricultural finance. Starting from China's actual situation, we should actively build a relatively complete new rural service infrastructure, gradually build a diversified, comprehensive and comprehensive rural financial service system, and gradually form a flexible, compatible and widely used service system. Focusing on the demand of county residents for convenient, efficient and safe financial services in the context of rural revitalization, actively build a "six in one" integrated channel system of physical outlets, self-service banks, palm banks, remote banks and mobile services, and strive to expand the coverage of rural financial services. Accelerate the optimization of the distribution of outlets, make inclusive finance more accessible to the rural masses, and then promote the efficient growth of "growth, price reduction, quality improvement, and scope expansion" of rural inclusive services^[9]. On the other hand, it is necessary to change the functional position of banks and promote the restructuring of rural commercial banks according to local conditions. In the process of restructuring, it is necessary to gradually liberate their business responsibilities and increase their business responsibilities.

5.2. Tamping rural digital financial infrastructure construction

The premise for the construction of digital inclusive bank is to improve the infrastructure. To do a good job in infrastructure construction, on the one hand, we should promote the application of the network in a large amount, do a good job in the construction of the "network village" project, increase the national support for the upgrading of agricultural information infrastructure technology, and increase the application scale of the network in the agricultural field. The local government and relevant units actively promote the replacement of rural network equipment, circuit transformation and business improvement, and vigorously enhance the level and efficiency of rural information transmission. On the other hand, we can further track the transaction credit status of farmers through the rural e-commerce platform, and constantly improve the relevant data of farmers' credit information database; At the same time, qualified rural areas can also build a professional information sharing platform to introduce the information of rural credit cooperatives, rural banks and other financial institutions into the information sharing platform, so as to establish a credit service system in rural areas. At the same time, it is also necessary to give play to the importance of inclusive financial data service platform, make use of the data resource sharing between relevant institutions, and form a more complete agricultural Internet framework, so as to find an effective breakthrough for the problem of the lack of data sources of agricultural digital inclusive capital information.

5.3. Strengthen the introduction and cultivation of digital talents

To develop digital inclusive financial services, agricultural financial institutions need to make up for the shortcomings of digital talent training. The first is to strengthen the investment in training and attracting talents. Agricultural financial institutions should strengthen talent input. They should not only cooperate with colleges and universities and financial technology enterprises to cultivate digital talents for agricultural financial institutions, but also adopt methods such as improving treatment standards and strengthening incentives to strengthen the attraction of digital talents. Second, we further improved our talent pool and service team building. Rural financial institutions can further enhance the financial technology innovation ability of the talent team and the independent and controllable ability of core software development by selecting technical backbones to carry out academic and technical training in leading technology enterprises and colleges and universities in the industry. The third is to further exert the influence of local government policies and attract digital talents through tax relief, housing subsidies and other policy advantages.

5.4. Risk governance system of financial institutions

First, build a sound risk assessment system for digital financing, it has become a key guarantee for the development of digital inclusive financial services. Secondly, strengthen the bottom line of risk control, continuously improve the ability to proactively prevent, resolve, and control risks, firmly hold onto the risk bottom line, and ensure the sustainability of financial services for rural revitalization. Finally, while increasing the "agriculture, rural areas and farmers" and county level credit supply, we should strengthen the research on the risk characteristics of agriculture related industries, adjust and optimize the loan supply structure and rhythm according to the risk control ability of different industries and regions, and ensure that the loan supply is compatible with the risk control ability. Innovate and improve rural financial risk management means, introduce new technologies and tools in customer identification, capital mortgage, capital monitoring and other links, and control risks with scientific and technological means.

6. Conclusion

With the continuous new leap-forward of financial service innovation, digital inclusive financial services have achieved rapid growth in the whole country, and have become a new force for financial institutions to support the prosperity and development of rural areas. However, there are still many practical problems in the promotion of rural revitalization by digital inclusive financial services. Combining the characteristics of digital inclusive financial services with rural revitalization and development can provide accurate possibilities for solving these problems. Improving the financial service capability system and rural financial risk management system for rural economic and social development in China will significantly enhance the level of digital inclusive financial services in rural areas and assist in rural revitalization and development.

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