

# Digital RMB Empowering Rural Revitalization Plan

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**Abstract:** In the 21st century, the world has entered the era of digital economy. In order to better serve the pillar industries of agriculture, implement China's rural revitalization and development policies, better serve the development of agriculture, rural areas, and farmers, and keep rural and agricultural areas in line with the development pace of the whole society, China attaches great importance to the promotion and promotion of policies such as digital RMB settlement for farmers and the masses. To this end, governments and local commercial banks in various regions actively carry out strategic cooperation, integrate online and offline business, and build a financial scenario for digital RMB payment based on agriculture, rural areas, and farmers' services. Utilizing the convenience and preferential system of digital RMB to assist rural revitalization and achieve industrial integration both online and offline. Therefore, this article combines the concept and characteristics of digital RMB to explore its positive role in improving the payment environment and strengthening social security. And based on relevant results, explore relevant strategies for using digital RMB to assist rural revitalization, deeply integrate digital technology with rural industries, and ultimately achieve the goal of rural revitalization.

**Keywords:** Digital RMB; Digital payment; rural revitalization People's wellbeing reform

## 1. Introduction

Since 2020, China has successively opened digital RMB pilot projects in 17 provincial-level administrative regions and some cities, in line with the development of the times and the digital payment needs of the people, and has always adhered to the mission of "integrating the world and benefiting society". We strive to deepen our efforts, continuously optimize our services, and provide the people with a convenient and smooth payment experience. Since then, the application scenarios of digital RMB in China have become increasingly diverse, and in the future, the pilot scope will continue to be expanded to extend to different industries and economic and trade fields, adhering to the economic development concept of safeguarding people's livelihoods, promoting consumption, expanding domestic demand, and stabilizing growth. To make the digital RMB more closely related to the daily lives of the people, combined with the national rural revitalization and development strategy, to make digital payments deeply rooted in thousands of households and rural areas, promote the transformation and development of rural economic structure, and provide assistance for the high-quality development of local economy.

## 2. The Concept and Characteristics of Digital RMB

### 2.1. Basic concepts

Citizens can choose "hard wallet" or "soft wallet" for consumption when using digital RMB. Among them, "soft wallets" are suitable for daily consumption scenarios, while "hard wallets" are mostly used for fund management scenarios such as financial services.<sup>[1]</sup>

### 2.2. Differences from other online payments

WeChat, Alipay and other payment modes are online payment modes that use third-party e-commerce vouchers as capital transfer, with time difference and service charges, and there will be certain service charges in individual payment links. The digital RMB is issued by the People's Bank of China and designated operating agencies are responsible for operation and exchange. It is a Chinese legal tender equivalent to banknotes and coins, and there will be no handling fees incurred during the intermediate payment process.

At the same time, it is also different from the non-sovereign "Bitcoin" abroad, which is a nationally recognized circulating "electronic banknote" and a sovereign legal tender that provides credit to the country without guarantee.<sup>[2]</sup>

### **3. The Positive Role of Digital RMB in Rural Revitalization**

#### ***3.1. Improve payment environment***

Compared to the urban market environment, the payment methods in rural areas are relatively backward and the overall purchasing power is relatively weak. Due to the principles of our own market environment and business management model, the overall development process in China will not be conducive to the development and transformation of the rural economy over time.

If digital RMB can continue to be popularized, it can not only replace existing online payment models, but also create an economic development model that is more suitable for the market environment in rural areas. At the same time, by combining digital payment with reverse supervision of the rural financial environment, the upgrading of payment and financial credit can drive the diversified development of the rural market environment. By driving rural consumption and purchasing power, we can build a rich and faraway rural trade market, and improve the rural consumption payment environment.<sup>[3]</sup>

#### ***3.2. Strengthening social security***

For a long time in the past, rural areas and farmers seemed to have become forgotten objects of the times. Due to the gap in transportation and information technology construction, information exchange and technological development in rural areas were relatively lagging behind, and the lack of educational resources also slowed down the process of rural development. More and more people are leaving their homes, becoming drifters and marginalized figures in cities, affecting the development and construction of local villages, causing a sharp decline in rural population and difficulties in the development of rural agriculture.

Therefore, the implementation of digital RMB payment in rural areas can not only drive the development of small-scale peasant economy and rural foreign trade industry, but also lead rural population to understand the development trend of the market, broaden rural people's market awareness, eliminate information silo, provide more comprehensive social security for rural vulnerable groups, and continue to think about the gap between urban and rural residents in terms of ideological awareness, Assist in the construction and cultivation of rural talent teams.<sup>[4]</sup>

#### ***3.3. Balancing economic development***

Our country has a vast territory and abundant resources, and the resources and pillar industries vary from place to place. In the past, because of the regional and industrial differences and differences in monetary policies in various regions, the development of many regions has been severely restricted, resulting in unbalanced development, serious income inequality, and hindering the realization of common prosperity.

However, the implementation of the digital renminbi can solve problems such as imbalanced economic development and large wealth disparities in various regions from structural and other aspects. It is convenient for specific regions, industries and people to issue corresponding policies, balance the development of all parties and promote common prosperity.<sup>[5]</sup>

### **4. How to Use Digital RMB to Assist Rural Revitalization**

#### ***4.1. Reasonable planning of agricultural funds***

China is a major agricultural country in the world, and there are many agricultural related funding projects. For example, basic environmental construction such as roads and farmland in villages and towns, as well as various construction projects that promote agricultural economic development. In addition, it also includes various types of food subsidies and agricultural subsidies that the government distributes to farmers every year. Based on years of management experience, relevant departments have established a scientific and reasonable planning system for agricultural funds. The use of local agricultural financial

funds requires processes such as fund approval, evaluation, review, and distribution. Many regions have also added financial management processes such as pre budgeting and post audit to strengthen the supervision of agricultural materials. However, due to the lag in the relevant financial management processes, it is difficult to quickly recover relevant funds and payments after discovering problems in many projects, making it impossible to improve the effectiveness of local agricultural materials management.

However, since the scientific payment method of digital yuan, it can successfully establish a closed loop of supervision of digital finance, using the traceability technology in digital yuan and the power of banks to make the synchronization of accounts and the flow of funds timelier. No matter when the regulatory authorities discover the problem of agricultural material circulation, they can apply their terms of reference and the flexibility of digital payment to stop projects and recover funds in a timely manner, so as to ensure the safe use and reasonable planning of agricultural funds. By building a scientific and sound digital RMB payment environment, it ensures the earmarking of rural revitalization consumption assistance funds, effectively prevents the tampering of capital flow and logistics data, and improves the traceability of agriculture-related funds. This can not only reduce the time pressure of post-audit work, but also effectively prevent micro-corruption and job-related crimes. Combined with the corresponding systematic supervision and accountability mechanism, with an efficient and synchronous and open and transparent supervision system, the management level of the national agricultural industry has been improved, and the funds to support agriculture will be better applied to the development of China's agriculture.<sup>[6]</sup>

#### **4.2. Promoting the development of the real economy**

In the past, we often encountered elderly people who sold their own agricultural products and by-products, and were clever and handy. The fruits and vegetables they grow are fresh and clean, and the agricultural and sideline products they produce are delicious and delicious. However, they often cannot verify payment status in real time due to their inability to use smartphones or network issues, which brings great inconvenience to the development of the real economy for the elderly.

To this end, Industrial and Commercial Bank of China and China Mobile have jointly developed and manufactured a new type of super SIM card, which can achieve online payment using the "SIMPAY touch" function without any network at all. To this end, local governments should actively create digital markets for agricultural product assistance, promote and promote digital payments to all farmers, encourage them to understand digital payments, complete registration and login, explain usage methods, and enable real-time receipt of agricultural trade transactions in daily life, thereby improving the turnover rate and liquidity of farmers' funds. In addition, relying on the advantage of free handling fees for withdrawal of digital RMB, we can reduce some of the cost expenses for the general public, thereby effectively reducing the transaction and circulation costs of agricultural products.<sup>[7]</sup>

As a good helper for rural revitalization, the digital renminbi carries the important task of driving the development of local real economy. To this end, it is also necessary for local governments and banks to actively carry out inclusive finance, grassroots governance and other related work in order to open up agricultural product sales markets, better serve people's livelihoods, and develop the agricultural economy. Distribute targeted subsidies and shopping coupons, such as full reduction discounts, point redemption, etc. By using government subsidies to benefit both buyers and sellers, we aim to explore more channels for increasing income for rural populations and build exemplary digital agricultural economic consumption scenarios. This will play a positive role in promoting the development of China's agricultural real economy industry, promoting the benign growth of local economy, accelerating the urban-rural integration and accelerating the construction process of China's financial system Digital transformation.

#### **4.3. Integrating into life style consumption**

In addition to daily commodity consumption, we should actively explore and create more consumption scenarios suitable for digital RMB applications, continuously explore and improve the activity of digital RMB wallets, in order to activate and integrate existing customer resources. For example, digital RMB can be integrated into basic livelihood needs such as rural education and healthcare, as well as popular rural tourism projects. By leveraging the geographical advantages of urban and rural bank outlets, we can actively promote digital RMB and engage in customer group recruitment and fission work.<sup>[8]</sup>

The daily payment of supply-side industries such as water, electricity, grid, and coal will also increase the digital RMB payment option, improve the preferential payment of digital RMB living expenses to rural people, and promote and demonstrate the efficient and safe characteristics of the digital RMB payment system with inclusive policies as the foothold.

In addition, it can also combine the consumption habits of local people and the payment characteristics of digital RMB to explore consumption scenarios from multiple life consumption fields such as supermarket participation, transportation, online shopping and offline travel, so as to bring rich and diversified and convenient payment experiences to tourists who come to play. The promotion and popularization of the digital yuan can bring more convenience and security to people's daily lives. The issuance and use of the digital yuan can be more flexible and efficient, while also helping people better manage their finances and taxes. The promotion of digital RMB can also promote the development of digital finance, create a new digital financial ecology, and provide people with safer, more convenient and efficient financial services. We believe that the promotion and popularization of digital RMB will bring more convenience and welfare to people's lives.<sup>[9]</sup>

#### ***4.4. Developing Rural Overseas Trade***

In recent years, with the enhancement of China's comprehensive strength and the promotion of the Belt and Road international economic and trade development policy, and under the influence of the current international situation, the process of internationalization of RMB circulation has been further accelerated. As of now, China has established an independent RMB cross-border settlement system and has engaged in cross-border settlement and clearing transactions with a total of 1427 participants from 109 countries and regions worldwide.

For this reason, many large farmers and local enterprises in China have taken advantage of the trend of foreign trade and recommended China's rich cuisine and handicrafts to the world, such as Fujian green tea, Guizhou spicy sauce, Hunan spicy strips, Qingdao beer, as well as porcelain, bamboo weaving, and silk embroidery. In this process, the widespread application of digital RMB has played an important role in cross-border payments, not only overcoming the shortcomings of traditional transaction stages such as SWIFT and CHIPS, such as low system efficiency and strong monopoly, but also providing more advanced, secure, and fair new cross-border transaction platforms for partners from all over the world. This has also promoted the internationalization of RMB circulation, continuously improving the international status of the RMB, and promoting China's development in the international market with a strong and stable monetary foundation.<sup>[10]</sup>

#### ***4.5. Promote the optimization of rural industries***

In addition, local governments are actively practicing the development concept of "finance for the people", vigorously exploring the funding, channels, and scientific research advantages of each region, using technology and finance to assist rural revitalization, promote the development and transformation of traditional agricultural industries, continue to explore and deepen rural industrial reform, and play a regulatory role in applying for more advantageous credit, funds, and other financial services from local banks to help promote the high-quality and efficient development of local agriculture, Drive all farmers to explore, develop and become rich together. For example, in combination with digital currency coordination, while ensuring the concept of green economy development, we will strengthen the development of rural advantageous resources and local infrastructure, rely on our unique geographical advantages to vigorously develop the rural tourism industry, use digital platforms to promote and create high-quality rural tourism bases, and combine digital RMB settlement to reduce farmers' entrepreneurial costs, allowing tourists to enjoy the dividends of the digital economy.

Relevant financial institutions also have their own cooperative resources to introduce investment funds, cooperative projects, and advanced technologies to the rural economy. Combining the circulation advantages of digital RMB, we will deepen our own credit services and cooperative investments into agricultural development, scientifically and efficiently manage them, propose targeted assistance plans and allocate agricultural funds to address the development difficulties of various agricultural industries, assist local farmers and agricultural enterprises in revitalizing resources and assets, and explore greater development space. At the same time, we will enable capital and farmers to efficiently manage costs and profits through a digital currency management system, achieving real-time communication, information transparency, and efficient synchronization without leaving their homes. We will use digital tools to make borrowing, repayment, and financial management more convenient, and truly serve people's

livelihoods with digital financial technology, helping farmers generate income and become rich.

Finally, it is necessary to combine the introduction of digital RMB as a development opportunity to bring advanced network and digital technology into rural areas, introduce advanced technology and equipment, and promote the digital development of local e-commerce industry. The development of the digital economy can bring more opportunities and development space to rural areas, and at the same time, it can also help farmers improve information literacy and master new technologies, providing a steady stream of creativity and impetus for the development of the local economy. The integration of urban and rural digital economy development can realize the common development of urban and rural areas and achieve comprehensive coordinated regional development.

## 5. Conclusions

Taking root in the fields and sprouting in fertile soil, the digital renminbi is depicting the beautiful landscape of digital countryside under the blueprint of rural revitalization. In the future, we believe that with the active assistance of the digital renminbi and the assistance of high-quality enterprises in various regions, more rural pilot projects will embark on a new journey of rural revitalization. Digital RMB has played a new financial role in the fields of economic development, people's livelihood and rural revitalization. It can combine various new era Matrix management means to carry out the construction, application and promotion of digital RMB scenarios in agricultural and rural areas in multiple directions, build new villages with high-quality services covering food, housing, transportation, travel, purchase and other aspects, and further achieve efficient settlement of farm subjects, The new rural tourism trade environment with convenient payment for tourists promotes the development of rural revitalization.

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