

Research and Prospect Analysis of Rural Inclusive Finance Development Based on Blockchain Technology

-- Taking Anhui Province as an Example

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Abstract: Based on the great importance attached by the state to inclusive finance, this project innovatively proposes to use blockchain technology to promote the sustainable development of inclusive finance in rural areas. Based on theory and practice, this project analyzes the financing difficulties of small and medium-sized enterprises in Anhui, the high cost of rural inclusive finance and the difficulties in implementation. This paper summarizes the reasons from the supply layer, demand layer and government level of rural inclusive finance, and puts forward suggestions for improvement.

Keywords: Rural inclusive finance, Blockchain technology, Small and medium-sized enterprises.

1. Introduction

Inclusive finance, which serves small and medium-sized enterprises, the "three rural" economy and the vulnerable groups in society, has gradually attracted the attention of governments at home and abroad. However, the social capital market is in short supply, capital is profit-seeking, and capital always flows to enterprises with higher returns and lower risks. The fundamental problems of Inclusive Finance have not been solved in a fundamental sense. At the end of 2020, the loan balance of inclusive small and micro enterprises in China was 15.3 trillion yuan, with a growth rate of more than 30%. The average interest rate of new inclusive small and micro enterprises loans was 4.35%, which was 0.52 percentage points lower than the average interest rate of loans in 2019.

Nevertheless, there are still many problems to be overcome in the business development of rural inclusive finance in China. For example, the imperfect credit system of infrastructure construction, the existence of adverse selection and moral hazard, the effectiveness of collateral and the high cost have seriously hindered the economic development of rural inclusive finance, which needs to inject new scientific and technological forces.

In recent years, with the rapid development of digital technology, the trend of combining digital technology with inclusive finance has also ushered in many explorations, especially in solving the problem of inclusive financial products, the information between banks and enterprises has gradually become open and transparent, which has also alleviated the commercial and policy aspects in the development of inclusive finance to a certain extent. It is of great significance to further promote the development of productive forces and promote common prosperity.

2. Research Status and Development Trends at Home and Abroad

2.1. Research Status of Inclusive Finance

Wang Qiaoran (2021) selected the panel data of 31

provinces, autonomous regions and municipalities in China from 2011 to 2018 to study the poverty reduction effect of inclusive finance and the role of digital inclusive finance in poverty alleviation under different education levels. Yanxiang (2022) can measure the current level of inclusive financial services in rural areas by building an index system of inclusive financial services in rural areas, and then measure the degree of competition in rural financial markets by using the proportion of loan balances of agricultural and commercial banks to local loan balances. Finally, the random effect model of panel Tobit is used to empirically test the impact of rural banking competition on the level of rural inclusive financial services. On the basis of measuring the common prosperity level of prefecture-level cities in China, Shi Yiming (2022) first discussed the dynamic characteristics of the common prosperity level, and then used the balanced panel data of prefecture-level cities in China from 2011 to 2019 to empirically analyze the impact of digital inclusive financial development on common prosperity in China, regional heterogeneity and nonlinear relationship.

2.2. Research status based on blockchain technology

Starting from the mechanism of inclusive financial policy, Song Jun (2021) analyzed the opportunities and challenges faced by inclusive financial policy audit under the background of block chain based on the audit focus of the three stages of formulation, implementation and termination of inclusive financial policy audit. This paper puts forward the implementation path of inclusive financial policy audit from six aspects: building audit information platform, moving forward the audit gateway, covering the audit focus, improving the evaluation system, improving the system, and supporting personnel construction. Xing You (2021) explored the way for commercial banks to use blockchain to promote the development of inclusive finance in rural areas from three aspects: increasing the supply of financial services, reducing the cost of financial services, and enriching the variety of financial services. Qu Yunlong (2022), through investigating the problems existing in the development of inclusive

financial industry, takes block chain technology as the breakthrough point, constructs a platform of inclusive financial technology based on block chain technology and a regulatory mechanism of inclusive financial industry, aiming at promoting the development of digital inclusive financial industry. To solve the financing difficulties of small and medium-sized enterprises, improve the credit system, and prevent the outbreak of systemic financial crisis to provide feasible policy recommendations.

3. Development Status of Rural Inclusive Financial Blockchain Technology in Anhui

3.1. Data analysis

Through the combination of field research and network research, this paper randomly visited some commercial banks and some rural areas in some areas of Anhui Province, focusing on the practice of block chain technology theory.

3.2. Analysis of current situation

According to the statistical data, there were 56 rural cooperative banking institutions in Anhui Province in 2006, with a total of 470 employees. There are 3183 rural cooperatives with 25757 people employed. By 2016, the number of small rural institutions in Anhui Province was 3110, and the number of employed people was 32867. There are 248 new rural cooperatives with 3557 employees. Small and medium-sized rural institutions include village banks, loan companies, rural mutual funds cooperatives and small loan companies.

(1) Inclusive financial infrastructure and institutional system have been continuously improved. In recent years, various new financial institutions, such as village banks and microfinance companies, have effectively solved the problems of insufficient number of financial institutions, lack of competitiveness and insufficient supply of some rural finance. At the same time, with the development of rural economic institutions, more and more enterprises begin to attach importance to the development of rural economic market, focusing on exploring the rural market. With the rapid development of rural financial market, Anhui Province has established a policy-oriented financial system based on agricultural development and rural infrastructure construction, promoted rural credit reform, strengthened the service capacity of regional associations, and actively developed rural banks.

(2) Loans from farmers and financial institutions of small and micro enterprises. In recent years, Anhui Province has attached great importance to the economic development of agriculture and small and micro enterprises, and the total amount of loans has been expanding, among which the loan balance of banking institutions in small and micro enterprises has increased rapidly, accounting for an expanding proportion of total loans.

(3) Innovation and upgrading of inclusive financial products and services. As of 2016, Anhui Province has a number of financial service offices, with five functions of payment, credit, cash services, financial rights protection and treasury. Farmers can enjoy safe and convenient basic financial services. Anhui Province has basically realized the complete coverage of regional financial institutions, the "one-to-one" service between financial institutions and poor villages, relying on the industrial precise poverty alleviation

plan, improving the financial poverty alleviation mechanism, guiding the priority allocation of financial resources to superior enterprises and key projects, and producing some precise poverty alleviation models suitable for regional characteristics and high frequency.

4. Suggestions on Promoting the Application of Blockchain in Rural Inclusive Finance

4.1. Define the target group of financial service support for small and micro enterprises

Government departments must change the concept of supporting small and micro enterprises because they are small, which is beneficial to employment, innovation and environmental protection. Only such small and micro enterprises belong to the support objects of the government, commercial banks and guarantee companies.

4.2. Increase guidance and investment in the digital transformation of small and micro enterprises

The digitalization of small and micro enterprises is an important part of the whole digital economy, but due to the poor investment capacity of small and micro enterprises, and their respective investment is easy to form duplicate investment, we can establish the digital transformation project of small and micro enterprises, and define the specific objectives and measures of the digital transformation of local small and micro enterprise.

4.3. Actively support the construction of financial service platform for government, banks and enterprises.

The government-bank-enterprise financial service platform has the attribute of public goods, and its investment should be supported by government finance and operated by guarantee companies, so as to avoid commercial investment increasing the burden of small and medium-sized enterprises.

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