

Research on the Development Dilemma and Countermeasures Faced by Rural Digital Inclusive Finance

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Abstract: Due to the influence of the complexity and diversification of financial needs in rural areas, traditional financial services have exposed many problems, and it is difficult to fully meet the personal credit needs of farmers. Under this circumstance, rural digital financial inclusion has achieved rapid development. Compared with the traditional inclusive finance model, digital inclusive finance has wider coverage and higher service efficiency, helping to promote the development of the rural economy. At present, the development of rural digital inclusive finance still faces many difficulties, which need to be solved and optimized urgently. To this end, this paper discusses the development difficulties and countermeasures faced by rural digital inclusive finance for reference.

Keywords: Rural areas, Digital financial inclusion, Development dilemma, Countermeasures.

1. Introduction

Digital inclusive finance refers to promoting the development of inclusive finance through digital financial services, with strong sharing and convenience, and low service threshold and cost, which can promote the penetration rate of inclusive financial services. Digital inclusive finance has a broad space for development in rural areas. The main reason is that with the in-depth implementation of strategies such as rural revitalization, rural residents have strong financial needs, while traditional inclusive finance models cannot fully meet the diversified needs of farmers. In recent years, although rural digital financial inclusion has developed rapidly, a series of problems have also emerged. Therefore, relevant departments and personnel should deepen their research work and promote the further development of rural digital inclusive finance [1].

2. Analysis of the Reasons for the Rapid Development of Digital Inclusive Finance in Rural Areas

2.1. Disadvantages and Disadvantages of Traditional Financial Services

First, business costs are high. Residents in rural areas are widely distributed, and it is difficult for commercial banks to accurately identify and market target customer groups, resulting in a substantial increase in commercial banks' marketing costs and customer acquisition costs. Second, there is a contradiction between the business model and financial needs. Rural financial institutions often provide wholesale financial services to high-quality rural customers, such as large farms, large planting and breeding households, etc., and cannot fully pay attention to the loan needs of ordinary farmers. At the same time, in order to reduce operational risks and improve profit levels, rural financial institutions focus on securing storage, and have high loan review standards, which are prone to the pumping effect and aggravate the imbalance of financial resources between urban and rural areas[2].

2.2. Development Advantages of Rural Digital Inclusive Finance

First, the contradiction between the total supply and demand of rural finance has been alleviated. By integrating traditional finance and modern financial technology, the service radius and coverage of inclusive finance can be broadened, which can not only expand the total financial supply in rural areas, but also fully meet the needs of farmers[3]. Digital inclusive finance applies digital transaction methods to simplify over-the-counter transaction procedures and significantly improve the operational efficiency of financial institutions. At the same time, the marginal cost and overall operating cost of new customers are reduced, which can fully mobilize the enthusiasm of rural financial supply entities and further improve the rural inclusive financial supply system [4].

Second, the contradiction between the supply and demand structure of rural finance has been reduced. By applying modern digital technology, financial institutions can comprehensively collect users' daily transaction data, and in-depth analysis of these data can build a portrait of users' financial needs, so as to accurately grasp the changing trend of rural financial needs and promote the solution of information asymmetry[5]. Combined with the portrait of rural financial needs, the corresponding products and services are designed, which can accurately meet the individualized financial needs of farmers and promote the development of rural economy.

3. Development Difficulties Faced by Rural Digital Inclusive Finance

3.1. Farmers Lack High Financial Literacy

Many rural areas have not yet formed a digital payment environment, which affects the development of digital financial inclusion. Affected by factors such as age and cognition, some farmers do not understand the concept of digital payment and believe that the security of digital payment is not as good as cash transactions, which hinders the

promotion of digital payment tools[6]. At the same time, most farmers lack high financial literacy, low network operation ability and digital financial service acquisition ability, and it is difficult to deeply understand financial products such as wealth management and insurance. In addition, financial institutions did not innovate digital financial products in accordance with the needs of farmers, making it difficult to meet the actual needs of farmers and hindering the development of rural digital inclusive finance.

3.2. The Infrastructure Is Not Perfect

The construction of infrastructure is directly related to the development speed and quality of rural digital inclusive finance. In recent years, rural credit cooperatives and other financial entities have actively expanded digital financial services in rural areas. However, due to the lack of complete infrastructure, it is difficult to carry out business smoothly, which has hindered the development of rural digital inclusive finance [7].

3.3. Lack of Digital Talents

In order to meet the development needs of the digital economy, it is necessary to cultivate a large number of digital professionals. In recent years, financial institutions have further promoted digital transformation and achieved good results. But in the specific implementation, it also faces many challenges. In particular, some small and medium-sized banks lack sufficient digital talents, which affects the realization of their transformation and development goals[8]. Most of the employees of rural credit cooperatives do not have advanced ideas and high level of ability, and scientific and technological talents only occupy a small proportion, resulting in serious restrictions on the development of digital financial services.

3.4. Digital Risk Control Is Difficult

Rural credit cooperatives and other rural financial institutions are mainly engaged in supporting agriculture and micro-businesses. They are affected by the actual characteristics of the service objects and face higher risks. In the process of digital transformation development, digital risks also emerge. Because rural financial institutions do not have a high level of development and lack sufficient resources such as talents and funds, it is difficult to effectively build a digital risk prevention and control system. Therefore, risk problems are prone to occur in the process of promotion[9].

3.5. HP's Financial Legal System Is Not Perfect

At this stage, there are still some problems in the development of inclusive finance in China's rural areas, such as: farmers and rural small and micro enterprises are facing difficulties in financing, the services of inclusive finance in financial institutions are not comprehensive enough, the government's guarantee system is lacking, and farmers and other disadvantaged groups are not fully supported. Financial rights are not adequately protected, etc. Among them, the main reason is that the legal protection system is not perfect. The foundation of rural finance lies in rural inclusive finance, which is a relatively important difficulty in inclusive finance and belongs to a systematic project[10]. Although China has formulated a series of laws and regulations in the development of rural inclusive finance, some laws and regulations do not proceed from the actual situation of rural inclusive finance. For example, the "Commercial Banking

Law" and other regulations do not fully stipulate the sovereignty and obligations of rural inclusive finance. They are only determined by the notices issued by each province, city and region, which are neither unified nor complete, and have temporary characteristics. The lack of a sound legal system will inevitably lead to problems such as weak law enforcement, mutual shirk of responsibilities between agencies, and failure to protect the legitimate rights and interests of financial inclusion users, which will reduce the coverage of rural financial inclusion in rural areas. , and also greatly hindered the development of inclusive finance in rural areas.

3.6. Insufficient Supply of HP Financial Products and Poor Applicability

Currently, there are few products of HP Financial in China, and the supply of financial service products for groups such as low-income and poor households in rural areas is relatively limited. According to relevant reports, China's "three rural" financial gap is about 3.05 trillion yuan, and rural inclusive finance is a market with hundreds of millions of dollars. In addition, since the demand for credit by rural groups in China is basically related to children's education and medical care, which are characterized by small demand for funds and short terms, which do not meet the current characteristics of high credit products and long terms, this leads to the current The applicability of inclusive financial products is not strong.

4. Countermeasures to Promote the Development of Rural Digital Inclusive Finance

4.1. Improve the Financial Literacy of Rural Residents

Only by continuously improving the financial literacy of rural residents can we promote the sustainable development of rural digital inclusive finance. In the specific implementation, online and offline forms can be comprehensively utilized. First, organize online activities. Relying on the support of information technology, it regularly pushes financial knowledge to rural residents to help rural residents deeply understand digital financial knowledge and improve the overall cognitive level of rural residents. For example, it can guide rural residents to pay attention to the official WeChat account, explain in detail the knowledge of digital finance in various forms such as pictures, videos, and audios, and innovate the form of publicity to effectively attract the attention of rural residents. Second, organize offline activities. On the basis of doing a good job in service work, the staff of business outlets should simultaneously carry out promotion and publicity activities, and use publicity materials, self-service equipment, etc. to share knowledge of digital finance with rural residents [3]. Based on the actual situation of the region, activities such as knowledge going to the countryside can also be carried out on a regular basis, and digital financial knowledge can be popularized and popularized by means of lectures and training of financial assistants in villages, knowledge competitions, etc. capacity and enhance the awareness of financial risk prevention and control. By combining the application of online and offline promotion channels, building a three-dimensional publicity platform will help improve the financial literacy of rural residents and lay a good foundation for the development of

rural digital inclusive finance.

4.2. Strengthen Infrastructure Construction

Infrastructure is the key to the development of rural digital inclusive finance. In response to the problem of insufficient rural facilities at this stage, it is necessary to further increase the investment of capital resources and vigorously build rural digital infrastructure. First, actively build broadband villages. It is necessary to join forces with other entities to increase investment, in-depth transformation and upgrading of rural information infrastructure, gradually popularize Internet technology, implement mobile payment "every household access", convenient service points "every village access", and cultivate rural residents' network technology operational ability. Second, retrofit existing infrastructure. Develop a sound management system to regularly maintain rural network equipment. On the basis of line optimization, it is necessary to update technologies and services to improve the transmission efficiency of rural networks. Third, actively deploy 5G base stations. There are many advantages of 5G technology. It is necessary to speed up the construction of 5G base stations in rural areas, so as to improve the in-depth coverage of 5G networks in urban and rural areas, and lay the foundation for the development of rural digital inclusive finance. In addition, it is necessary to guide rural enterprises to deeply apply modern digitalization, informatization and other technologies to speed up the development of digital agriculture and rural areas.

4.3. Build A Digital Talent Team

Digital professionals are the core elements to promote the development of rural digital inclusive finance. Therefore, rural financial institutions should gradually build a digital talent team with a high level of professionalism. First, internal cultivation. Combined with the actual situation of the institution, it can regularly organize technical backbones and other personnel to go out to study, learn and absorb advanced experience and high-tech in universities and advanced companies, and try to apply it in the development of digital financial business, so as to gradually improve the talent team's ability to apply financial technology. Second, external attraction. The external introduction method has high efficiency and can improve the digital level of the talent team in a short time. Therefore, on the basis of doing a good job in internal talent training, it is possible to cooperate with relevant social entities such as financial technology companies and universities to jointly carry out digital talent training [4]. At the same time, the salary level of the post should be adjusted reasonably, the welfare incentive system should be improved, and more professional digital talents should be attracted, so as to improve the digital ability and comprehensive financial literacy of the talent team. It is necessary to strictly control the talent recruitment process, clearly formulate recruitment standards and assessment content, and ensure that the recruited talents can meet the development requirements of digital inclusive finance.

4.4. Improve the Risk Management System

In the process of development of rural digital inclusive finance, there will be many risks. If effective prevention and control is not carried out, not only the sustainable development of digital inclusive finance cannot be guaranteed, but also the actual interests of the people will be damaged. Therefore, it is necessary to gradually build a complete digital

risk management system. First, strengthen supervision capacity building. Financial supervision departments should actively cooperate with other relevant departments, such as industry and information technology, development and reform, etc. , to improve the supervision index system and continue to improve supervision capabilities. In regulatory practice, advanced technologies such as big data and cloud computing can be deeply and widely applied, and a regulatory sandbox mechanism can be built to carry out financial risk early warning and monitoring more accurately. Second, strengthen institutional risk control capacity building. When rural financial institutions implement digital inclusive financial services, they do not just carry out financial services online. They are more systematic and involve strategies, organizations, processes and other aspects, which increase the types of risks. Financial institutions should simultaneously optimize the risk management and control system, comprehensively investigate and sort out the potential risks of digital inclusive finance, and establish mechanisms such as monitoring, identification, and emergency response to improve the level of risk prevention and control [5].

4.5. Improve the Relevant Legal System and Standardize the Market Order

Someone once said that the realization of justice depends on the protection of the legal system, and the regulation and guidance of the legal system enables people not to violate the equal rights of others while pursuing their own self-interest. The current market economy is an economy ruled by law, and the concept of inclusive finance needs the support of the legal system. Today, under the influence of the strategy of building a well-off society in an all-round way and targeted poverty alleviation, the focus of the construction of the inclusive financial system lies in the development of the legal system of inclusive finance in rural areas, and the focus of improving the legal system is to explore the lowest cost to ensure that rural people can obtain financial services. HP Finance mainly embodies the concepts and principles of fairness, inclusiveness, poverty alleviation, and flexibility, which are also the basic principles for the construction of an inclusive financial legal system. In response to the current legal problems, the government should be the mainstay, supplemented by the concept of rural inclusive finance, to establish a relevant legal system to protect the rights and interests of rural groups, so as to promote the standardized development of rural inclusive finance.

4.6. Innovative Financial Inclusion Products

In view of the low applicability and short supply of inclusive financial products in China at this stage, financial institutions should improve product research and development and optimize design, and develop richer, diversified and personalized financial products to meet different needs. In terms of credit line, term and interest, the products developed should conform to the micro-loan products of rural groups, so as to improve the participation and satisfaction of rural users. Innovative rural financial inclusion products can help financial institutions expand credit coverage in poor areas. Fully enrich the content of inclusive finance, so that it can better promote targeted poverty alleviation through finance, and make inclusive finance truly implemented to rural users. In addition, banks and credit enterprises should also develop inclusive financial products with institutional characteristics to gain support

from the rural masses. At the same time, they should improve the rural insurance system, expand insurance institutions and rural insurance services, and provide applicable insurance products. , to ensure the effective development of rural inclusive finance.

5. Conclusion

To sum up, the development of rural digital inclusive finance can meet the individualized credit needs of rural residents and promote the healthy and sustainable development of the rural economy. In view of the problems encountered in the development of rural digital inclusive finance at this stage, relevant departments and entities should start from various aspects such as promotion and publicity, talent building, and strengthening supervision, optimize the development environment of rural digital inclusive finance, and consolidate rural digital inclusive finance. The foundation of finance is to effectively improve the development quality of rural digital inclusive finance.

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