

Research on the Support Paths of Financial Technology for Rural Industry Revitalization

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Abstract

With the emergence of emerging technologies such as big data, blockchain, and artificial intelligence, financial technology is in the ascendant and is becoming an important support for the revitalization of rural industries in many aspects. Rural revitalization is an inevitable requirement to achieve common prosperity, of which industrial prosperity is a very important aspect. This article relies on original scholars' research on related issues, mainly starting from the functions of financial technology, analyzing the intrinsic relationship between financial technology and the revitalization of rural industries, studying its positive role in the revitalization of rural industries, and clarifying the support path of financial technology for the revitalization of rural industries, and points out some objective existing problems, and finally gives relevant policy suggestions at the end of the article to address these problems.

Keywords

Financial Technology; Rural Revitalization; Industrial Prosperity.

1. Introduction

Rural areas often suffer from limited coverage by traditional financial institutions. Fintech can provide rural residents with more convenient and efficient financial services through digital and network technologies, including payment, deposits, loans, insurance, etc. This will help improve the financial inclusion of rural residents and improve financial service levels. The role of financial technology in the revitalization of rural industries is very powerful.

2. Literature Review

With the rapid development of Internet technology, it is difficult for the traditional financial industry to adapt to the ever-changing modern society. Instead, financial technology is booming. Industrial prosperity is an important foundation for rural revitalization and the prerequisite for solving all rural problems. In the context of comprehensively promoting rural revitalization and accelerating agricultural and rural modernization, exploring the development path of rural industry revitalization is of great significance for preventing a return to poverty in the "post-poverty alleviation era" and solidly promoting the common prosperity of farmers and rural areas. There are currently relevant literatures studying the impact of financial technology on the revitalization of rural industries.

Research by Nie Li and Shi Kai (2021) shows that accelerating rural financial reform, promoting innovation in financial instruments and products, and improving the level of rural financial development can promote rural economic growth [2]. Starting from the essence and connotation of inclusive finance, He Hongqing (2020) qualitatively analyzed the effect of financial technology in empowering rural revitalization, believing that financial technology can increase financial support for agriculture, broaden financing channels for agricultural-related enterprises, and promote the integrated development of rural industries. And then promote the revitalization of rural industries [3]. Zhang Yue and Zhou Yingheng (2021) found that

financial technology can promote the substitution of capital for labor in agricultural production, and can also improve the scale economy effect and resource agglomeration of the agricultural industry by promoting the deep integration of rural primary, secondary and tertiary industries and the optimization of the agricultural industry system. effect and promote high-quality development of agriculture[1,4,5]. From the perspective of industrial prosperity, some scholars measure agricultural output by the total output value of agriculture, forestry, animal husbandry and fishery per capita. Studies have found that digital finance can improve agricultural output levels and promote rural economic growth [6].

To sum up, existing research has provided useful reference for this article, but there is still little literature that directly examines the support path of financial technology for rural industry revitalization.

3. Internal Connection between the Two

The popularity of financial technology has brought about social impacts, encouraging more people to invest and settle in rural areas. The digital financial ecosystem in rural areas attracts start-ups and technology companies, providing more employment opportunities. This helps improve the quality of life in rural areas and promotes the sustainable development of rural industry revitalization.

4. Support Path

The most fundamental way for financial technology to support the revitalization of rural industries is to break through a series of obstacles and help rural industries obtain rapid, convenient and comprehensive financial services to a large extent. Specific paths include the following aspects:

4.1. Develop Inclusive Finance and Alleviate Rural Industry Funding Problems

Compared with the traditional formal financial system, financial technology has many advantages, such as low entry barriers, low service costs, reduced information asymmetry, convenient services, and the ability to provide personalized services. Relying on the many advantages mentioned above, fintech continues to improve the rural inclusive financial system, focusing on providing financial services to rural small, medium and micro enterprises and low-income households, which better meets the needs of rural long-tail customers and alleviates rural financing difficulties and expensive financing. The problem. Fintech promotes the in-depth integration and development of information technology and agricultural production, saves production and operation costs for enterprises, and extends financial services to rural areas.

4.2. Reduce Information Asymmetry and Develop Shared Finance

The innovation of financial technology, the economic situation, government encouragement and other factors together promote the rapid development of shared finance. As a form of sharing economy, shared finance represents an inevitable requirement for the development of the social financial system, especially in rural areas, which are in urgent need of financial support and services. The advantages of shared finance are huge and obvious: 1. Shared finance platforms can effectively reduce financing costs; 2. Shared finance can provide more ways for enterprises to finance. Shared finance mainly includes four forms: online lending, Internet crowdfunding, mutual insurance and supply chain finance [7]. Various forms of shared finance play an important role in solving the urgent needs of rural industries.

4.3. Obtain and Analyze Financial Big Data and Provide Personalized Products and Services

Personalization is an inevitable trend in the development of today's products and services. On the one hand, financial technology can use high technologies such as big data, blockchain, artificial intelligence, and cloud computing to analyze financial data for rural industries, allowing financial institutions to better provide high-quality financial services to rural industries; on the other hand, rural industries can also use these technologies to create personalized service platforms, improve the industrial chain, and increase the added value of products and services. Satisfied personalized needs will further promote the transformation and upgrading of rural industries to better adapt to market development.

4.4. Improve the Big Data Credit Reporting System and Reduce Credit Risks

Credit is the foundation and core of the operation of market economy. Fintech serves the credit reporting system, allowing financial institutions to more conveniently and quickly understand the credit status of enterprises and individuals, adopt relatively flexible credit policies, and expand the scope of credit.

4.5. Implement Scientific and Technological Supervision to Prevent Rural Financial Risks

The content of financial technology supervision includes online payment supervision, online lending supervision, crowdfunding supervision, and digital currency supervision. Without effective supervision, it is difficult to ensure financial security. After implementing financial technology supervision, the financial system can operate smoothly and orderly, and financial services can be provided to enterprises, especially rural enterprises.

4.6. Digital Financial Services Provide Farmers with Convenient Financial Tools

Fintech provides residents in rural areas with more financial tools and services through digital financial services. This includes digital payments, mobile banking, virtual credit cards and other tools to provide farmers with convenient financial access. This convenience not only reduces the cost of financial transactions, but also improves financial inclusion, helps rural residents better manage finances and savings, and provides financial support for the revitalization of rural industries.

4.7. Risk Management and Insurance Innovation

Fintech's data analytics and risk management tools enable the insurance industry to better meet the needs of rural areas. Through sensor technology and data analytics, rural industries can more accurately assess agricultural risks and reduce the cost of agricultural insurance. In addition, financial technology has also promoted the development of micro-insurance, providing rural residents with more flexible and affordable insurance products to protect their farmland and property, thereby encouraging more people to join agriculture and rural industries.

4.8. Intelligent Agriculture and Production Efficiency Improvement

The application of financial technology can also improve the production efficiency of rural industries. Smart agricultural technologies, such as the Internet of Things, big data analytics and artificial intelligence, can monitor soil, crops and livestock, providing real-time data and advice. This helps farmers better manage agricultural production, reduce waste and increase yields. Rural fintech can provide financial support to rural agricultural enterprises to purchase these smart devices and technologies, thereby improving the competitiveness of rural industries.

4.9. Fintech Helps Rural Entrepreneurship and Small and Micro Enterprises

Fintech has also supported entrepreneurship and the development of small and micro enterprises in rural areas. Digital lending platforms and crowdfunding platforms provide rural entrepreneurs with more financing options. This lowers the threshold for financing and encourages more people to join rural entrepreneurship. At the same time, financial technology also provides more entrepreneurial support, such as financial management tools, market data analysis, etc., helping entrepreneurs better manage enterprises and improve the survival rate of enterprises.

Fintech's support for rural industry revitalization is multifaceted, including digital financial services, risk management and insurance innovation, smart agriculture, entrepreneurial support, and social impact. These aspects are intertwined and together provide strong support to the economies of rural areas. In addition, it needs to be emphasized that the application of financial technology needs to maintain a balance between regulation and data privacy to ensure the sustainability of rural industry revitalization. The potential of financial technology lies in bringing more opportunities and sustainable economic growth to rural areas, making an important contribution to the goal of revitalizing rural industries.

5. Problems

5.1. "Information Asymmetry" Causes a Serious Mismatch between the Supply and Demand of Financial Products

Due to the internal logic of profit-seeking, financial institutions have high customer acquisition costs, high risks, long service cycles, low operating profits, and weak willingness to serve and accept financial services for rural areas, resulting in a situation where loans are expensive and difficult to obtain. On the one hand, due to the small amount of farmers' loans, the long repayment period, and the lack of collateral and the lack of a credit reporting system, it is difficult for financial institutions to rate the credit of farmers and rural institutions. Furthermore, due to the lack of the most advanced technology and lack of service levels in rural financial institutions, the products provided by the institutions are single, the credit scale structure is unreasonable, and they cannot meet the financial needs of residents and institutions in rural areas. On the other hand, rural areas have large areas, scattered residences, few service outlets, and lack of follow-up in the later stages of financial services, resulting in diseconomies of scale in rural financial services. The biggest reason for the above problems is information asymmetry.

5.2. The Imperfection of the Financial Technology System Makes the Application of Rural Financial Technology Lack Institutional Guarantees

Rural areas are large, with scattered residential areas and numerous administrative districts, making it difficult to formulate specific and unified financial technology guidelines. Moreover, due to the fragility of rural finance and the imbalance of service outlets, excessive supervision and lack of supervision coexist. The imperfection of the system makes the credit cost and service cost of financial services, how to trace funds after default, and the credit cycle inconsistent, resulting in the vulnerability of rural finance.

5.3. Rural Infrastructure Also Restricts the Application of Financial Technology

Although rural infrastructure has been improved to a certain extent with the proposal and implementation of the rural revitalization strategy, highways, network broadband and other projects, it still pales in comparison to urban areas. Fintech, which also relies on big data and cloud computing, has high requirements for hardware facilities. Therefore, the most advanced and personalized financial products and services cannot be directly applied to rural areas. Due

to the lack of necessary modern service facilities and supporting facilities, financial institutions are unable to obtain massive and real credit data to build a rural credit reporting system. Therefore, it is difficult for financial technology to truly integrate into the rural economy.

5.4. The “Digital Divide” Problem Also Directly Affects the Popularization and Application of Financial Technology in Rural Areas

The digital divide refers to the information gap between different countries, regions, industries, enterprises, and communities due to differences in the ownership, application and innovation capabilities of information and network technologies in the process of global digitalization, which leads to the further development of the rich and the poor. Polarizing trends. Due to ideological restrictions or lack of necessary financial literacy, some people in rural areas are unwilling and unable to use smartphones to obtain convenient financial services, which limits the spread of financial technology in rural areas.

5.5. Lack of Talents Makes the Use of Rural Financial Technology Lack Vitality

Rural fintech talents need to understand not only finance and technology, but also the operating model of the agricultural economy. Such comprehensive, high-quality talents are not only in short supply in rural areas, but also in the entire industry. And whether such talents are willing to work in rural areas and how to retain such talents in rural areas is also a question. The lack of financial technology talents in rural areas has also directly led to the lack of financial technology products specifically for rural areas. At the same time, financial products targeting rural areas are also difficult to popularize due to high investment, high risks, and difficulty in popularizing them, which restricts the service capabilities of rural financial technology.

6. Policy Recommendations

6.1. Promote Financial Awareness in Rural Areas

In my country's population structure, middle-aged and elderly people account for a high proportion, and the aging problem is more serious in my country's rural areas. Due to limited Internet and educational resources, rural residents in my country do not understand finance and have weak financial awareness. At the same time, they have few applications of the Internet and do not have sufficient channels to obtain information resources. Most rural residents prefer to use cash, and their lack of understanding of finance causes them to only provide traditional over-the-counter business and other related financial services in most cases. It is believed that modern online financial operations are unsafe, which has greatly hindered the entry of financial technology into rural areas. Therefore, in order for financial technology to help rural revitalization, financial awareness should first be popularized in rural areas. Through the publicity department of village committees, rural schools, rural radio, etc., we will popularize financial knowledge among rural residents, improve financial literacy, and form a common financial awareness in rural areas.

6.2. Improve Rural Basic Financial Facilities

Many rural areas have poor network signals and smartphones are not widely available, which does not meet the basic requirements of financial technology for information infrastructure. There are fewer banking, insurance, securities and other outlets in rural areas. In the context of backward information infrastructure in rural areas, the services provided by these outlets are generally traditional over-the-counter services and lack the awareness and channels to use digital technology to conduct business. Therefore, in order for financial technology to help rural revitalization, rural basic financial facilities should be improved.

6.3. Promote the Transformation and Upgrading of Rural Industries and Create an Innovative Countryside

Compared with cities, rural areas have fewer employment opportunities and less room for growth. Therefore, if the countryside is to be revitalized, the employment problem of rural residents needs to be solved urgently. Only when rural industries realize transformation and upgrading can rural areas have more opportunities for employment. Therefore, in order for financial technology to help rural revitalization, rural areas should introduce more talents to encourage college students to innovate and start businesses. Rural financial institutions should provide loans and other services to help college students create new rural enterprises and promote the transformation and upgrading of rural industries. At the same time, we strive to improve the level of rural education, cultivate more talents for rural areas, and provide preferential entrepreneurial loan policies for college students who return to their hometowns to innovate and start businesses after college, and provide them with special subsidies to attract and retain talents.

6.4. Develop Uniform and Standardized Professional Standards for Rural Financial Practitioners, and Establish and Improve a Unified Work System and Supervision System

Staff enter their work results one by one through the information platform. When problems arise at work, the platform can quickly find the person in charge of the work and hold them accountable to reduce financial risks. For a long time, because I was not familiar with the working conditions at higher levels in financial institutions, I did not think about what doing this can bring to the superiors, why the superiors need to do this, the work efficiency and work quality of the staff of rural financial institutions. Not too high. Problems such as missing data reporting, inability to match data in the database, and lack of unified data management arise one after another. Therefore, in order for financial technology to help rural revitalization, we should formulate unified standards for rural financial practitioners, and establish and improve a unified work system and supervision system. We regularly dispatch outstanding employees from the city to teach rural employees the standards of science and practice, teach them how to use the work system and information management platform through words and deeds, punish those who violate the rules, and pay rewards to those who have done their jobs well reward.

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