

Research on the Impact of Digital Inclusive Finance on the New Rural Collective Economy based on Empirical Evidence from Sichuan Province

Yijia Hua

Southwest Minzu University, Chengdu, Sichuan, China

Abstract. This article takes Sichuan Province as the research object and explores the impact of digital inclusive finance on the new rural collective economy. Firstly, the concept, characteristics, and development forms of digital inclusive finance and the new rural collective economy were elaborated, revealing the relationship between the two. Secondly, the current development status of digital inclusive finance in Sichuan Province was analyzed, including the current situation of rural financial services, the promotion and application of digital inclusive finance in Sichuan Province, as well as the problems and challenges faced in its development. Subsequently, the impact mechanism of digital inclusive finance on the new rural collective economy was elaborated from the aspects of financial resource allocation, rural industrial structure adjustment, improvement of farmers' income, and construction of rural credit system. Finally, in response to the impact of the development of digital inclusive finance in Sichuan Province on the new rural collective economy, policy recommendations were proposed to strengthen digital infrastructure construction and network coverage, formulate policy measures to support the development of digital inclusive finance, and enhance farmers' awareness and acceptance of digital financial services. The research results indicate that digital inclusive finance has a positive impact on the development of the new rural collective economy, providing useful reference for the development of rural economy in China.

Keywords: Digital Inclusive Finance; New Rural Collective Economy; Sichuan Province.

1. Introduction

The rural collective economy plays an important role in the development of rural areas in China, which is of great significance in increasing farmers' income, improving rural economic structure, and promoting sustainable rural development. However, for a long time, rural collective economy has faced problems such as insufficient funds and difficulties in financing, which have hindered its development. With the rise of digital inclusive finance, it is considered one of the important means to solve rural financial problems. In Sichuan Province, the application of digital inclusive finance in the new rural collective economy is becoming increasingly widespread. In response to this phenomenon, this study aims to explore the impact of digital inclusive finance on the development of the new rural collective economy and its potential mechanisms[1]. This study will provide an in-depth understanding of the current operation status and influencing factors of digital inclusive finance in rural collective economy in Sichuan Province, and provide reference for further promoting the development of digital inclusive finance.

2. Concept and Characteristics of Digital Inclusive Finance

2.1. Concept and Characteristics of Digital Inclusive Finance

Digital inclusive finance is the provision of financial services to rural areas that are not covered by digital technology and financial innovation, in order to promote economic inclusiveness and social equity. The core of this concept is to break down the geographical, information, and financial barriers of traditional financial services through modern technological means such as mobile payments and internet finance, so that more farmers can conveniently and low-cost access financial services.

The primary goal of digital inclusive finance is to serve rural groups that are difficult to cover by traditional financial systems, including but not limited to farmers, small and micro enterprises, and low-income groups[2]. Through digital means, it can extend financial services to farther and poorer areas, improving the accessibility of financial services; Compared with traditional finance, digital inclusive finance focuses on adopting emerging technologies such as blockchain and big data analysis to change the traditional financial service model. This innovation makes financial services more flexible and efficient, adapting to the diverse financial needs of rural areas; Through digital tools and internet technology, digital inclusive finance effectively reduces the threshold for accessing financial services. Farmers do not need to travel long distances to cities, and can easily carry out financial operations through terminals such as mobile phones, improving the accessibility of financial services.

2.2. Definition and Development Forms of New Rural Collective Economy

The new rural collective economy refers to the diversified development of rural economy in rural areas, based on forms such as farmer collective organizations, cooperatives, and agricultural leading enterprises, through cooperation in capital, technology, and management, to improve farmers' income and living standards[3]. This economic form emphasizes cooperation and sharing, which helps to improve the overall rural economy.

The development forms of the new rural collective economy mainly include the following: cooperative model, in which farmers establish cooperatives, jointly invest funds, land and other resources, and concentrate on agricultural production, processing, and sales[4]. This form enables more effective allocation of agricultural resources and enhances the market competitiveness of agricultural products; Leading enterprises in agricultural industrialization, guiding them to enter rural areas, forming an agricultural industry chain through guiding and driving surrounding farmers, and increasing the added value of agricultural products; A farmer's professional cooperative is a cooperative formed in a certain professional field (such as the cultivation and breeding of characteristic agricultural products), which improves the quality and output value of agricultural products through professional cooperation.

2.3. The Relationship between Digital Inclusive Finance and The New Rural Collective Economy

There is a close relationship between digital inclusive finance and the new rural collective economy, and the two promote and complement each other. Digital inclusive finance provides necessary financial support for the new rural collective economy. New economic organizations such as cooperatives and agricultural enterprises can use digital financial tools to achieve financing, settlement, and other operations, improving the flexibility of economic operations[5]. Digital inclusive finance provides financial infrastructure for rural collective economy and promotes its modernization development. Through digital technology, the new rural collective economy can better integrate into the global economic system and improve the overall competitiveness of rural areas. Digital inclusive finance has lowered the financial service threshold for participants in the new rural collective economy. Farmers and cooperative members can easily conduct financial operations through smartphones, reducing the problem of information asymmetry and improving the accessibility of financial services.

The relationship between digital inclusive finance and the new rural collective economy is a win-win cooperation model[6]. Digital inclusive finance has provided strong support for the development of the new rural collective economy, and the rise of the new rural collective economy has also provided a broad market for expanding the service targets of digital inclusive finance. This cooperation helps to upgrade the rural economy and improve the living standards of farmers.

3. Analysis of the Current Development Status of Digital Inclusive Finance in Sichuan Province

3.1. Current Situation of Rural Financial Services in Sichuan Province

As a major agricultural province in western China, Sichuan Province has played an important role in supporting agriculture, rural areas, and farmers through rural financial services[7]. However, traditional rural financial services still have certain shortcomings in terms of service scope, quality, and efficiency. On the one hand, the supply of rural financial services is insufficient, especially in poverty-stricken areas and remote mountainous areas, where the number of financial institutions is limited and the service network coverage is uneven; On the other hand, rural financial service products are single and difficult to meet the diverse financial needs of farmers, such as financing, payment, savings, investment, etc. In addition, the threshold for rural financial services is relatively high, and the problems of financing and loans for farmers remain prominent, which is not conducive to the development of the rural economy.

3.2. Promotion and Application of Digital Inclusive Finance in Sichuan Province

In recent years, digital inclusive finance in Sichuan Province has developed rapidly and achieved significant results. Under the joint action of policy promotion and market demand, the promotion and application of digital inclusive finance in Sichuan Province are gradually deepening. Firstly, the digital financial service system is constantly improving. Sichuan Province actively introduces and cultivates digital financial service providers, such as internet banks, online payment companies, and small loan companies, to provide convenient and low-cost financial services for rural areas. At the same time, financial institutions have expanded their service network and improved service coverage through a combination of online and offline methods. Secondly, innovation in digital financial products continues to emerge. In response to the characteristics and needs of rural areas, financial institutions have launched a series of distinctive digital financial products, such as online loans, rural e-commerce financing, rural property rights mortgage loans, etc. These products lower the financing threshold, improve the efficiency of financial services, and meet the diverse financial needs of farmers. Sichuan Province is increasing investment to improve network infrastructure in rural areas and increase internet penetration rate[8]. At the same time, financial institutions actively promote financial technologies such as mobile payments and smart terminals, reducing the cost of financial services in rural areas and improving service convenience. Sichuan Province utilizes digital inclusive finance to provide targeted poverty alleviation loans, small loans for poverty alleviation, and other financial services to impoverished areas, helping impoverished farmers lift themselves out of poverty and become prosperous. In addition, digital finance has provided more employment opportunities for rural areas, such as e-commerce and logistics, promoting the upgrading and development of rural industries.

Although Sichuan Province has achieved significant results in the development of digital inclusive finance, it still faces some problems and challenges. The popularity of digital financial services still needs to be improved, especially in poverty-stricken areas and remote mountainous areas; There is a shortage of digital finance talents in rural areas, and the ability to apply financial technology is insufficient; The risk prevention and control system for digital finance is not yet perfect.

4. The Impact Mechanism of Digital Inclusive Finance on the New Rural Collective Economy

4.1. Financial Resource Allocation and Optimization

Digital inclusive finance provides convenient and low-cost financial services for the new rural collective economy by optimizing the allocation of financial resources[9]. On the one hand, digital finance has lowered the threshold for financial services, allowing more farmers to access basic financial services such as loans, payments, and savings; On the other hand, the convenient

information acquisition and risk assessment capabilities of digital finance help financial institutions more accurately identify high-quality customers and improve the efficiency of financial resource utilization. In addition, digital finance can effectively integrate various financial resources, such as policy finance, commercial finance, cooperative finance, etc., providing diversified financing channels for the new rural collective economy.

4.2. Adjustment and Upgrading of Rural Industrial Structure

Digital inclusive finance assists in the adjustment and upgrading of rural industrial structure. Firstly, digital finance provides diversified financial products and services for farmers, such as rural e-commerce and characteristic industry loans, supporting the development of characteristic industries and promoting the adjustment of rural industrial structure. Secondly, digital finance combines online and offline methods to improve the efficiency of financial services, reduce financing costs for farmers, and assist in the integrated development of rural industries. Finally, digital finance provides funding, technology, and market support for rural enterprises, promoting the transformation and upgrading of rural industries[10].

4.3. Improvement of Farmers' Income and Welfare

Digital inclusive finance has a positive impact on improving the income and well-being of farmers. On the one hand, digital finance has lowered the financing threshold for farmers, helped them start businesses, expand production, and improve their income levels. On the other hand, digital finance provides farmers with more investment channels, such as internet wealth management, rural property mortgage loans, etc., expanding the sources of property income for farmers. In addition, digital finance can also promote the transformation of farmers' credit value into actual wealth and further improve their well-being through the construction of rural credit systems.

4.4. Construction of Rural Credit System

Digital inclusive finance promotes the construction of rural credit system. Digital finance utilizes technologies such as big data and cloud computing to achieve real-time collection and analysis of farmer credit information, providing credit evaluation basis for financial institutions. In addition, digital finance also promotes the construction of rural credit system and the optimization of financial ecological environment, guides farmers to establish a sense of integrity, and regulates the order of rural financial markets. On this basis, digital finance provides farmers with more fair and transparent financial services, promoting the healthy development of rural financial markets.

5. Policy Recommendations for the Development of the New Rural Collective Economy Through Digital Inclusive Finance

5.1. Strengthen Digital Infrastructure Construction and Network Coverage

The effective implementation of digital inclusive finance requires a sound digital infrastructure and extensive network coverage. In rural areas, to promote the development of the new rural collective economy, the primary task is to strengthen the construction of digital infrastructure. This includes but is not limited to strengthening internet coverage in rural areas and building high-speed and stable network infrastructure. The government can encourage telecommunications operators to increase investment in rural network construction, expand the coverage of 4G/5G networks, and improve network speed through financial support, tax incentives, and other means to ensure a good network environment in rural areas. In addition, to ensure the smooth promotion of digital inclusive financial services, it is necessary to strengthen the popularization of electronic payments and digital financial tools to ensure that farmers can easily use digital services, improve their financial inclusiveness, and ensure the stable operation of digital financial services.

5.2. Develop Policy Measures to Support the Development of Digital Inclusive Finance

In order to promote the positive interaction between digital inclusive finance and the new rural collective economy, the government needs to formulate a series of supportive policy measures. Firstly, it is possible to consider formulating specialized financial policies to encourage financial institutions to increase their financial support for rural areas. This includes but is not limited to reducing loan interest rates, increasing loan limits, simplifying loan approval processes, etc. Through the formulation of these policies, financial institutions can be stimulated to actively serve the new rural collective economy, meet their financing needs, and promote the upgrading of the agricultural industry. In addition, the government can promote fintech innovation by incentivizing and supporting fintech enterprises to participate in rural financial services, and providing more inclusive digital financial products. In order to lower the threshold for the use of digital financial services, the government can also consider formulating relevant regulations to regulate the operation of digital financial services, ensuring their security, transparency, and reliability.

5.3. Enhancing Farmers' Awareness and Acceptance of Digital Financial Services

In order to ensure that digital inclusive financial services can truly benefit the new rural collective economy, it is necessary to enhance the awareness and acceptance of digital financial services among farmers. In rural areas, due to information asymmetry and cultural differences, farmers may have relatively limited understanding of digital financial services. Therefore, the government and financial institutions can jointly carry out publicity and education activities to increase farmers' awareness of digital financial services and solve the problem of information asymmetry. Education and training are a key link in improving farmers' acceptance of digital financial services. Training courses can be conducted to popularize basic knowledge of digital finance to farmers and teach them how to use digital financial tools for payment, savings, investment, and other operations. The government can cooperate with institutions such as schools and agricultural cooperatives to incorporate digital finance education into rural training courses, so that more farmers can understand and become accustomed to using digital finance services.

6. Conclusion

Digital inclusive finance provides more convenient and diversified financial services for the new rural collective economy in Sichuan Province. Through digital tools such as mobile payments and online financing, rural cooperatives and agricultural enterprises can more flexibly manage and operate funds, improving economic efficiency. Secondly, digital inclusive finance has lowered the financial threshold for participants in the new rural collective economy, promoted more farmers to participate in the agricultural industry chain, and accelerated the upgrading and modernization of rural collective economy. In addition, the promotion of digital inclusive finance has also had a positive impact on the employment situation in rural areas of Sichuan Province. With the expansion and optimization of the agricultural industry chain, corresponding employment opportunities are gradually increasing, providing farmers with more ways to escape poverty and become rich. Digital inclusive finance not only increases the income of rural residents, but also promotes the sustainable development of the new rural collective economy.

Looking ahead to the future, there is still further potential to explore the role of digital inclusive finance in the new rural collective economy. Firstly, the application of digital technology in rural production, circulation, and sales can be strengthened to further enhance the efficiency of the agricultural value chain. Secondly, it is necessary to pay attention to the popularization and training of digital inclusive finance, improve the awareness and usage level of digital financial tools among rural residents, and ensure that more people can enjoy the convenience brought by the development of digital finance. At the policy level, the government can increase its support for digital inclusive finance and the new rural collective economy, establish and improve relevant regulations and policy systems. Encourage financial institutions to cooperate with new rural collective economic entities to

jointly promote the in-depth development of digital inclusive finance, in order to achieve the goal of comprehensive prosperity in rural areas. Through these efforts, we can expect digital inclusive finance to play a greater role in the new rural collective economy in Sichuan Province, providing strong support for the sustainable development of the rural economy.

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