

Research on the Coordinated Development of Inclusive Finance and Public Services

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ABSTRACT

Both inclusive finance and public service can provide services for the vast number of people. Although the two are different in the supply mechanism and the mode of government, they have the same service goal in different paths. By analyzing the theoretical mechanism of inclusive finance to promote the development of public service and the realization path of public service to promote the development of inclusive finance, this paper further introduces the research on the coordinated development of inclusive finance and public service, indicating that the business of the supply sector of the two can develop in tandem, and the coordinated development of the two is conducive to the integration of urban and rural development and the improvement of common prosperity.

KEYWORDS

Inclusive finance; Public services; Common prosperity

1. INTRODUCTION

Both financial inclusion and public services aim to serve the people at large, and they intersect in many ways. By providing basic financial instruments, inclusive financial services promote the inclusion and facilitation of social services, so that more people can benefit from public services such as health care, education and social security. At the same time, public service institutions can provide policy support, administrative support and other means to help inclusive financial institutions improve services and strengthen management, so as to promote their financial services to better benefit the public. Although the two differ in terms of supply mechanism, supervision mechanism and government support mode, the common goal of inclusive finance and public service is to serve the vulnerable groups, promote social equality, help promote common prosperity and meet the people's needs for a better life. Therefore, the two can promote each other and develop in synergy. This paper aims to further explore the synergistic development direction between inclusive finance and public service, and provide some valuable enlightenment for future research.

2. FEATURES OF INCLUSIVE FINANCE AND PUBLIC SERVICE:

2.1. Features of Inclusive Finance

Inclusive finance can be defined as a financial system that can effectively and comprehensively provide services to all social strata and groups. Its original intention is to emphasize the continuous improvement of financial infrastructure, improve the availability of financial services, and realize the provision of relatively convenient financial services at a lower cost to people from all walks of life, especially in less developed areas and low-income people. Inclusive finance is not charity or assistance, but to help the beneficiary groups to improve their hematopoietic function. In the process of developing inclusive finance, we must adhere to the principle of commercial sustainability to ensure sustainable development, and at the same time pay attention to the principle of marketability to meet the needs of more groups and give reasonable benefits to suppliers.

With the continuous development of Internet technology and big data analysis and other means, inclusive finance is undergoing a digital transformation, giving rise to a new form of digital inclusive finance, effectively reducing transaction costs and the threshold of obtaining diversified financial services, and providing more convenient, low-cost and safer financial services to customers who are difficult to cover by traditional inclusive finance. To meet the financial needs of customers with higher quality.

2.2. Features of Public Services

Public service is one of the main responsibilities of modern government. It is a general term for the products and services provided by the government and enjoyed by the people. It includes strengthening the construction of urban and rural public facilities, developing public undertakings such as education, science and technology, culture, health and sports, and providing guarantees for the public to participate in social economic, political and cultural activities. Public services meet certain direct needs of citizens for life, survival and development, and can benefit citizens. They emphasize the service of the government and the rights of citizens. Public service can be roughly divided into basic public service and inclusive non-basic public service. Basic public services are those that guarantee the basic needs of the whole people for survival and development and are compatible with the level of economic and social development. Inclusive non-basic public services are those public services which are necessary to meet the higher needs of citizens and guarantee the overall welfare level of society, but which are spontaneously insufficient in supply by the market.

In the process of building a great modern socialist country, China takes the equalization of basic public services as an important task. Equalization of basic public services means that all citizens can have access to roughly equal basic public services in a fair and accessible manner. The core of equalization of basic public services is to promote equal opportunities, and the focus is to ensure people's opportunities to get basic public services, rather than simply equalization. Continuing to promote equal access to basic public services, focusing on expanding the supply of inclusive non-basic public services, and enriching the supply of multi-level and diversified life services are important directions for China to promote the balanced and accessible development of public services at this stage.

3. MUTUAL PROMOTION OF INCLUSIVE FINANCE AND PUBLIC SERVICES

3.1. The Promotion of Inclusive Finance to Public Services

The promotion effect of inclusive finance on public services mainly lies in its inclusion and digitalization of financial services, breaking through the limitations of time and space in the allocation

of financial resources, helping to expand the customer boundaries of financial services, effectively reduce financial operating costs, reduce customers' financial transaction costs, and improve the allocation efficiency of financial resources. The digital development of inclusive finance helps to promote the improvement of the overall supply of basic public services. Some studies take basic public services as a measurement index to evaluate the development level of high-quality development [1], common prosperity [2] and rural revitalization systems [3], and the research results show that inclusive finance has a promoting effect on basic public services such as education, culture and social security to varying degrees. The effect of inclusive finance on public services can be analyzed from two aspects: direct mechanism and indirect mechanism.

In terms of direct mechanism, inclusive finance can increase the total supply of public services and promote their equal development. First, the inclusion of inclusive finance and the equalization of public services have consistency in goals and functional relevance, and are compatible in promoting social equity. The inclusive financial system is constantly improving through digital means, taking financial infrastructure as the content and improving the coverage of financial services as the goal, which is actually a process of equalization of financial public services. Second, digital inclusive finance provides financial support for the supply of basic public services through the function of credit intermediation, and directly improves the supply level of basic public services. In terms of indirect mechanism, inclusive financial services can resolve the contradiction between residents' short-term consumption demand and insufficient disposable funds, and at the same time meet residents' medium - and long-term capital needs in production or entrepreneurial activities, thereby improving residents' income level. Since residents usually need to bear the tax burden or pay certain fees to obtain public services, the increase of residents' income level can enhance residents' willingness to obtain public services, and the fees generated can expand the source of fiscal revenue, and then provide financial support for the supply of basic public services by the government, and indirectly promote the equal development of public services [4].

3.2. Promotion of Inclusive Finance by Public Services

Not only can inclusive finance promote the development of public services, but public services also play a positive role in inclusive finance. The equalization of public services can promote the precision of financial market supply, contribute to the inclusive and digital development of finance, and alleviate the problems of "financial exclusion" and "financial paradox" in financial market. In the process of balanced and accessible development of public services, on the one hand, the government should make use of its ruling advantages, constantly improve the public service system, and promote the establishment of an inclusive financial system in rural areas by using financial connection models such as "bank + grassroots government public service + rural households". On the other hand, the government should help farmers cross the financial market access threshold with the help of public services, promote the concept of inclusive finance, and solve the problem of financial exclusion, which is also the function and goal of the government.

Strengthening the input of public services is crucial to play the role of financial linkage in less developed regions. Financial linkage is an effective market-oriented financial inclusion model, which has been widely welcomed and achieved certain results in Asian, African and Latin American countries. This model has promoted the development of the financial market in the underdeveloped areas. The number of loans obtained by farmers has increased, the interest rate of loans has decreased, and the threshold faced by the loan process has also gradually decreased. This depends on the improvement of public services to provide adequate support for farmers to enter the financial market [5]. In China, the public service system in less developed areas is still not perfect, and the development of inclusive finance is hindered. In fact, the reason for the inadequate development of inclusive finance often lies in the lack of information flow channels between supply and demand. Therefore, in addition to providing policy and financial support, financial institutions should also work with grassroots governments to strengthen public services, promote financial connectivity and

development through public services, and solve the problem of financial exclusion [6]. In general, public services can improve the adverse selection of financial markets, help farmers out of financing difficulties, and then solve the problem of financial exclusion, promote the construction of an inclusive financial system.

4. SYNERGISTIC DEVELOPMENT PATH OF INCLUSIVE FINANCE AND PUBLIC SERVICES

4.1. Business Development of The Supply Sector

Providers of inclusive finance and public services can achieve better business development by doing business in concert. Inclusive financial institutions can cooperate with public service agencies to jointly provide financial services and public services to vulnerable groups. For example, financial inclusion institutions can partner with medical institutions to provide medical insurance or health savings services to help people gain better access to medical care; An inclusive financial institution can also partner with schools to provide education savings accounts or tuition loans to help children from poor families gain access to education.

Providers of inclusive finance and public services can also share and integrate data, so as to better serve national economic development. For example, financial inclusion institutions can provide financial information about low-income people to public service agencies to help them better understand and meet the needs of vulnerable groups. In addition, public service institutions can also provide data on the education, health and social needs of vulnerable groups to inclusive financial institutions to help them develop financial products and services that better meet their actual needs.

4.2. Integrated Urban and Rural Development

Integrating urban and rural development means focusing on the free two-way flow of urban and rural production factors and the rational allocation of public resources, supplementing agriculture with industry and connecting urban areas with rural areas, promoting inclusive sharing of basic public services between urban and rural areas, integrated development of urban and rural infrastructure, coordinated development of urban and rural industries, and sustained growth of farmers' income. We should foster a new type of relationship between industry and agriculture, in which urban and rural areas complement each other, develop in a coordinated way, and enjoy common prosperity, and accelerate agricultural and rural modernization and rural revitalization [7]. With the development of inclusive finance, the supply of financial public services has become fuller and more efficient. By relying on digitalization and information and communication technology of digital inclusive finance, rural areas can guide the flow of various resource elements such as labor and capital in cities to the target industries in rural areas, thus promoting the development of rural economy and building the urban-rural relationship network. To a certain extent, this alleviates the separation effect caused by the "digital divide" and the development structure of urban-rural dual opposition, and promotes the integrated development of urban and rural areas. At the same time, the public service gene contained in inclusive finance also corresponds to the essential characteristics of urban-rural integrated development, and jointly promotes urban-rural integrated development through the inclusive sharing of urban and rural basic public services, the integrated development of urban and rural infrastructure and the coordinated development of urban and rural industries [8, 9].

4.3. Promoting Common Prosperity

In the process of serving the diversified financial needs of the people, financial institutions provide financial services based mainly on the market, and the government's role in this process is mainly to guide, support and supervise the healthy operation of the financial system. Public services are mainly

to ensure the basic needs of the survival and development of the members of society. The government bears the main responsibility of supply, while the market institutions play a supplementary role in providing services, providing medical care, elderly care, education, housing and other needs. Common prosperity means the common prosperity of all the people. It includes a prosperous life, self-confidence and self-improvement in spirit, a livable and working environment, social harmony and harmony, and universal access to public services [10]. Therefore, in the process of guiding the development of inclusive finance by the government, through the mechanism of promoting the total supply of public services and the improvement of the level of equality, the social atmosphere and living environment are cleaner, which is conducive to promoting the development of common prosperity. In the process of equalizing the supply of public services led by the government, the precision of financial market supply can be improved, so that financial services can benefit the people more generally, so as to promote the residents to be more materially and spiritually rich, and also contribute to promoting the development of common prosperity.

5. CONCLUSION

To sum up, inclusive finance can expand the coverage and quality of public services, while the provision of public services can improve the construction of inclusive finance system. The two promote each other. Through collaborative development, the cooperation between the two can be further strengthened, and through the concerted efforts of the government, financial institutions and community organizations, better inclusive finance and public services can be provided. It also contributes to the realization of social and economic goals such as urban and rural integrated development and common prosperity. However, we have also found some problems and inadequacies. First, there are still challenges in the path of coordinated development of inclusive finance and public services, and more in-depth research and practice are needed. Second, there are differences between different regions and different groups, and appropriate development strategies need to be formulated according to local conditions. In addition, financial inclusion and public services still face some institutional, policy and regulatory problems in practice, which require further governance and reform. In general, the relationship between financial inclusion and public services is very important to promote social and economic development and serve the people. Through in-depth research and promotion of coordinated development, we can provide better inclusive financial and public service businesses, promote the integrated development of urban and rural areas, and raise the level of common prosperity of the people.

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