

# Analysis of Financial Theory and Financial Governance Under the Background of New Network Economy and Epidemic Situation

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## ABSTRACT

Financial governance as an important factor in China's governance system, financial theory plays a leading role in financial governance. In the development of financial activities, financial theory and financial governance are coordinated and can jointly maintain the order of financial market. However, in the view of the development of network economy, to provide a new environment for the development of financial activities, we need to promote the development and transformation of the financial market guided by financial theory and financial governance. At the same time, the impact of the epidemic on China's economy and finance is huge, and the actual and potential impact cannot be underestimated. In this regard, based on the connotation and core of financial theory and financial governance, this paper analyzes the reform direction of financial theory and financial governance under the background of network economy and epidemic situation, and puts forward the development path of financial theory and financial governance under the background of network economy and epidemic situation.

**Keywords:** *Financial theory, Financial governance, Network, Economic environment*

## 1. INTRODUCTION

In the promotion of science and technology, the integration of Internet and financial formats has brought the development of financial industry into a new economic environment. Under the environment of network economy, it has a significant impact on the development of financial industry, and promotes the development of financial market towards globalization. Therefore, in order to promote the further development of financial formats, we need to take new financial theory and financial governance model to promote the reform of the previous financial activity system, and take the integration of financial theory and financial governance as the guidance, clarify the boundary of network financial governance, promote the upgrading and transformation of financial market, and realize the good financial governance mode. In novel coronavirus pneumonia, Xi Jinping, general secretary of the general assembly, held a meeting on the work of co-ordinate the new crown prevention and control of epidemic and economic and social development in February 23, 2020. It clearly pointed out that we should treat the economic and social development of China under the impact of the epidemic in a comprehensive, dialectical and long-term

way, and change pressure into motive force and good fortune. Through the investigation of 26 financial institutions and 503 enterprises in Henan Province, it is found that the impact of the epidemic is huge, the economic damage is obvious, and the assets and liabilities of financial institutions are under pressure. The epidemic situation in an extreme way promotes enterprises to fight for survival, and also gives birth to new activities of economic and social transformation and upgrading. We should seize the opportunity in the current crisis, adhere to the four principles, deal with the four pairs of dialectical relations, further do the work in the four aspects, release the potential of economic growth, and pool strong potential energy for the high-quality development of China's economy and society.

## 2. THE CONNOTATION OF FINANCIAL THEORY AND FINANCIAL GOVERNANCE

### *2.1 Connotation of financial theory*

Governance originally means guidance, control and manipulation. In the United Nations Committee,

governance refers to the management of common affairs by various public and private institutions. According to these management common affairs, relevant formal and informal rules and institutional models are formulated, so as to better adjust the relationship of institutions in activities and promote the effectiveness of joint activities. It can be seen that more governance systems realize multi-party cooperation and Governance on the basis of multi-party cooperation, so as to meet the goal mechanism of all parties. Financial theory is the theoretical information content put forward in the level of financial business development. It is defined as that under the national governance system, all organizations participate in financial activities to maintain the order of financial market development by governance, promote financial interaction and participation of all parties, and achieve a good development trend of financial formats. Generally speaking, in financial governance, most of the industries of financial activities are financial institutions, financial management departments, financial consumers, financial investors and third-party intermediaries. In their activities, they need to comply with the laws of financial development and promote the further implementation of financial undertakings[1].

## ***2.2 Core elements of financial governance***

Financial theory has played a leading role in financial governance, providing the basis for financial governance, and making financial governance better achieve its work objectives. In the financial governance system, it has five core elements, including the objectives of financial governance, the subject of financial governance, the object of financial governance, the efficiency of financial governance and the rules of financial governance. The first is to set relevant financial objectives in the development of financial business, to integrate them into financial activities, to achieve financial objectives through financial activities practice, and to promote the better development process of financial business; second, the main body of finance refers to the important institutions and individuals involved in financial activities, including central financial management department and financial personnel Financial activities can be carried out through multi-party linkage through integrating consumers and financial institutions; third, the object of financial governance refers to the ability to handle the relationship between government and financial market in financial activities, improve financial governance means, so as to protect the financial participants; fourth, the rule of financial governance refers to the participation of financial activities, in accordance with the laws and regulations of China, according to the bank's laws and regulations The development trend of industry and the rules of financial activities formulated can promote the implementation and development of financial activities; fifth, the efficiency of financial

governance refers to the promotion of China's financial industry and the world national structure in the process of financial activities, guided by fairness, openness and public trust. In the activities, the efficiency mode of financial industry development is defined based on the guidance of governance evaluation[2].

## **3. FINANCIAL THEORY AND FINANCIAL GOVERNANCE UNDER THE BACKGROUND OF NEW NETWORK ECONOMY**

### ***3.1 Change the thinking of financial governance***

In the past, most of the market economy development was based on the substantive financial development mode. In the network era, the impact on the financial development model, the generation of network financial governance, and promote the process of financial governance to the network direction. Under the network economy environment, the industry in the development process, should timely change the financial development thinking, promote the development direction of network finance. The financial development mode of the industry requires the government departments to play a leading role. According to the development mode of network finance, we should strengthen the implementation of financial governance of the network, provide a good platform for industrial development, promote the further development of the industry, and broaden the future mode of China's industrial trade. For example, the government should do a good job in macro-control, base on the development trend of financial market, combine with the development mode of network market economy, take laws and regulations as the guidance, strengthen the governance effect of laws and regulations of the network, and then improve the relevant laws and regulations work system of network financial governance. At the same time, in view of the financial governance mode of the network and the relevant industrial development mode, it is necessary to further study the financial theory, clarify the financial governance mode and mode of the network, promote the upgrading and transformation of its own industry, so as to make itself invincible in the market development, and then highlight the good working trend of network financial market governance.

### ***3.2 Construction of network financial supervision system***

In the network economy environment, the effective implementation of financial governance requires the establishment of the network financial governance thinking, and the network financial market development model, to achieve the integration of financial theory

information, broaden the content of financial theory information, and improve the financial theoretical system. The construction of the network financial supervision system can better enrich the connotation of financial theory system, enrich the work of network financial governance, and then promote the development of network financial supervision and management, provide a safe financial development environment for the development mode of financial network, and then push the financial industry to the direction of network and globalization. For example, in the construction of financial supervision and management system of network, taking the Internet platform as an opportunity, building a large database, collecting, acquiring and analyzing financial information with big database, and constructing targeted financial theoretical system with financial information, pointing out the direction for financial governance, realizing the development trend of financial governance network, purifying network platform, and achieving network in various fields. The sound development of finance. At the same time, in the construction of the network financial supervision system, guided by financial theory, according to the financial development trend of the network economic environment, the financial supervision and management matters are clearly realized, and then these financial supervision and management regulations are incorporated into the financial theory, and the implementation of financial governance work is taken to promote the specific implementation of relevant financial theories. For example, in view of the complexity of the network environment, strengthen the analysis of the network financial market, clarify the relevant financial governance and supervision and management terms. First, we should clarify the elements of financial governance, promote the financial development model of various industries with the elements of financial governance; secondly, we should build the financial governance rules and regulations of the network guided by the laws and regulations, and strengthen the supervision and management of laws and regulations on the network. The results of the management work, and then highlight the governance efficiency of the network financial management; finally, according to the actual situation of the market development, enrich the financial governance system of the network, so as to improve the governance level of the network financial market and realize the better development of multi industry in the network[3].

### ***3.3 Carry out online and offline Financial Governance***

The development of network economic environment has broadened the development mode of financial market. However, the traditional financial market development mode, which has been maintained for

many years, can not be abandoned in the development process of network financial market. Therefore, we should pay attention to the development of online and offline financial system according to the development trend of online and offline financial network. In the development process of network financial market, according to the offline financial governance development mode, enrich the offline financial governance information content, and according to the network financial governance mode, build online financial governance theoretical information, and then improve the whole financial governance theoretical system, so as to promote the implementation of online and offline Financial Governance. At the same time, the online and offline financial governance model, according to the network financial governance model, constructs the financial theory library, takes the financial theory library as an opportunity, points out the implementation direction for financial governance, and then improves the quality of financial governance. For example, financial governance uses big data technology to build financial management and theoretical database, give full play to the information collection function of financial database, and promote the implementation of online and offline financial governance.

### ***3.4 Strengthening the construction of cyberspace order***

Under the environment of network economy, finance is developing towards globalization and networking. It is necessary to strengthen the order control of financial activities in cyberspace, so as to promote the orderly development of financial activities on the Internet. First of all, according to the network financial industry development model, clear the financial industry development goal, promote the development of network financial activities. For example: implement the access system of network financial development, according to the actual situation of network financial governance, construct relevant access system terms, so as to integrate some industries in line with the development of network finance, and carry out network financial governance work mode. At the same time, in view of the industry that conforms to the access mechanism, its development mode and concept are backward, and they do not understand the network financial working mode, we should construct the network financial guidance scheme, promote the majority of enterprises to join the ranks of network finance, broaden the development market of network finance, and then promote the integrated development of China and overseas markets, so as to improve the level of social and economic development in China. Secondly, according to the main participants of network financial activities, the relevant rules of network financial participation are constructed, so that the participants can follow the rules and regulations of network finance, abide by laws and regulations, and

then have a reasonable financial trade. Finally, strengthen the construction of network financial evaluation system, according to the development model of the main network financial industry, pay attention to the evaluation of the main network financial activities, so as to achieve good financial governance effect. For example, from the perspective of network market economy, we should design the evaluation mechanism of financial governance, strengthen the network evaluation model of participants, and then improve the effectiveness of network financial governance[4].

#### **4. FINANCIAL THEORY AND FINANCIAL GOVERNANCE UNDER THE BACKGROUND OF EPIDEMIC SITUATION**

##### ***4.1 Restore normal production and living order as soon as possible and minimize the impact of the epidemic***

At present, it is necessary to implement the prevention and control strategy of "external import prevention and internal anti rebound". Port cities should strictly prevent the import of foreign epidemic diseases, timely do a good job in virus detection and isolation observation of entry personnel, and ensure that air transportation, port quarantine, destination delivery and community prevention and control form a closed loop. All localities should accurately control the epidemic situation and control its influence scope to the greatest extent. Most provinces in China, which are continuously low-risk, should timely cancel the prevention and control measures that are not suitable for the production and living order at the same time of scientific and accurate prevention and control. From the perspective of industrial chain, coordinate to solve the difficulties of labor and raw materials, and break through the "blocking point" of personnel and material flow.

##### ***4.2 We should seize the new business model created by the epidemic situation and accelerate the digital transformation of economic society***

Accelerate the application of 5g technology and actively promote the development of new technology industries such as big data, Internet of things, artificial intelligence, blockchain, etc. Vigorously develop digital finance and smart finance, and promote the digital transformation of traditional industries. We should consolidate the new markets and opportunities opened up by epidemic prevention and control, urge giant enterprises to improve platform services, strengthen external empowerment and technology export, guide more enterprises and residents to cultivate online activity preferences, eliminate the digital divide, and promote the inclusive development of digital economy[5].

##### ***4.3 In view of the short board of public investment under the impact of the epidemic situation, we should strengthen the anti cyclical regulation of macro-control and make up for the weaknesses***

A sound monetary policy should pay more attention to flexibility and moderation, maintain reasonable and sufficient liquidity, give full play to the guiding role of structural monetary policy tools, further guide the reduction of medium and long-term investment and social financing costs, further dredge the monetary policy transmission mechanism, implement the requirements of differentiated supervision, consolidate the effect of "several promotion", and strengthen the precise support for private enterprises, small and micro enterprises and manufacturing industry We will strive to increase the "first loan rate" and increase the proportion of credit loans and medium and long-term loans of enterprises. Active fiscal policy should focus on expanding the investment direction of new public infrastructure. On the basis of making full use of the existing financial resources, we can appropriately expand the amount of government special bonds and the scale of fiscal deficit. According to the actual needs of urban development and Rural Revitalization Strategy, we should do a good job in project investment in medical, education, logistics, transportation, telecommunications, network, affordable housing and other fields To provide sufficient financial guarantee for public goods and services with national uniform standards. We should strengthen the coordination and linkage of industrial policy, employment policy, land policy and financial policy, so as to further promote the expansion of domestic demand, stabilize employment and stabilize expectations.

##### ***4.4 In view of the shortcomings of social governance, we should accelerate the reform of the national governance system and the construction of governance capacity***

We should make up for the shortcomings in the construction of public health and disease prevention and control system, clarify their responsibilities, improve the administrative level, strengthen legislative planning, strengthen the supply of emergency medical and epidemic prevention and control materials, and establish the corresponding national strategic reserve system. Improve the government's ability of emergency response and crisis disposal, and improve the scientific and professional level of emergency plan decision-making. We will further promote streamlining administration and delegating powers, optimize the business environment, urge officials at all levels to govern scientifically according to law, and reduce the government's direct intervention in market activities. We will accelerate the

citizenization of migrant workers, and provide stable institutional guarantee for the agricultural transfer population to live in cities, find jobs, start businesses, train and educate their children. We should strengthen the basic security and care for the disadvantaged groups, and coordinate the medical treatment of patients with other diseases. We should fully mobilize the enthusiasm of universities, scientific research institutes and enterprises, strengthen academic and technological exchanges and cooperation at home and abroad, and promote scientific research in important fields. Through the introduction of foreign advanced technology, we should expand the foreign capital chain, expand the foreign technology market, and expand our own mature technology[6].

## 5. CONCLUSION

In the national governance system, financial theory plays a leading role in financial governance, and the two are closely related. By coordinating financial theory and financial governance, we can promote the integration of financial theory and financial governance, so as to jointly maintain the order of financial market and promote the further development of financial market. Therefore, under the background of network economy and epidemic situation, we should establish the thinking of network financial governance, according to the elements of financial governance proposed by network economic environment and epidemic background, and rely on financial theory, realize the effective development of financial governance, and then promote the improvement of China's financial governance level.

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