



Problems and Countermeasures of China's Rural Financial Ecological Environment Construction Under Inclusive Finance

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Abstract. Rural financial ecological environment is very important to the development of rural economy. This paper analyzes the problems facing the rural financial ecological environment under the development background of inclusive finance in China, and puts forward how to better build the rural financial ecological environment in China, which achieve the strategic goal of rural revitalization as soon as possible.

Keywords: Financial ecological environment · Rural finance · Inclusive finance

1 Introduction

Financial ecological environment refers to the sum total of natural and social factors related to the development and survival of financial industry, including geographical, demographic, economic, cultural and political factors that interact with financial development. The construction of financial ecological environment is based on ecological principles to construct the financial system to promote the benign and sustainable development of the financial industry. Rural financial ecology is a balanced system formed by mutual influence of all factors related to rural financial development in the process of various financial organizations providing financial integration and financial services for rural economic development. The rural financial ecological environment is very important to the development of rural economy. A good rural financial ecological environment can ensure the sound development of the overall rural credit system, is conducive to the construction of a multi-level rural financial system, and effectively promote the sustainable development of “agriculture, rural areas and farmers”.

2 Literature Review

Financial ecology theory is an important thought put forward by Zhou Xiaochuan based on his rich financial practice at the beginning of the 21st century when China's financial reform was facing a critical period. Subsequently, Chinese scholars have conducted research on the rural financial ecological environment, with abundant results.

Jia Shuyuan and Wu Mingfang (2021) believe that the current development of rural financial ecology is inadequate, which restricts the development of rural economy to a certain extent. They analyze and discuss the current situation, reasons and countermeasures of rural financial ecology in order to establish a perfect financial ecological chain, improve rural ecology and promote the sustainable development of rural economy. [1] Zhang Qiwen and Zhang Ye (2020) believe that the sustainable development of rural finance depends on a good rural financial ecological environment. This paper analyzes the existing problems of rural financial ecology in China and tries to provide optimization suggestions for the development of rural financial ecology. [2] Tu Pingping (2020) believes that the optimization of financial ecological environment plays an important role in the implementation of rural revitalization strategy. Based on the relevant theories of rural financial ecology and the analysis of the current situation of rural economy in Zhejiang Province, this paper puts forward a series of policy suggestions on how to optimize the rural financial ecological environment, so as to better realize financial support for rural revitalization. [3] Zhou Huansha (2020) believes that the overall construction of China's rural financial ecology is in a rising state. But compared with the development of China's overall economy, there is still lag. This paper discusses and studies the current problems of rural financial ecology in China, expounds the current situation and existing problems, and puts forward corresponding optimization measures. [4] Zhang Lin (2020) believes that China has always attached great importance to rural economic development, and a good rural financial ecological environment is the foundation for the development of agricultural finance in China. However, there are still some problems in China, such as weak agricultural economic foundation, imperfect farmers' credit system and financial legal system, and imperfect agricultural financial market. [5] Jiao Yongsheng (2020) believes that the ecological development of rural finance can not only promote the sound and rapid economic development of rural areas, but also has great significance for the sustainable development of China's financial industry. In recent years, although China's rural economic development has achieved good results, but on the whole, the financial ecological development in rural areas is still facing many problems. [6] Xu Jinghong et al. (2019) believe that with the improvement of China's financial system, the tilt of targeted poverty alleviation policy and the implementation of rural rejuvenation strategy, the imbalance in urban and rural development has been gradually improved, the suppression of rural finance has been eased, and the rural financial ecology has been gradually improved. However, there is an inevitable contradiction between financial services and rural economic development, so the rural financial problem has become the focus of attention from all walks of life. [7] Zhu Zhenzi (2019) believes that the rural revitalization strategy not only points out the direction for agricultural and rural modernization, but also provides an important guarantee for the construction of rural financial ecological system. At present, the development of rural finance should adhere to the problem-oriented, with the help of the favorable conditions of the implementation of the rural revitalization strategy, build a new model of rural financial development, and innovate financial products conducive to serving "agriculture, rural areas and farmers" [8]. Zhou Xiaoyi (2018) believes that the ecological development of rural finance is the key to ensure the healthy and sustainable development of rural economy. To promote the harmonious development of rural finance and rural economy, we should vigorously

develop rural economy, adjust and optimize rural economic structure, and cultivate market subjects. [9] Zhang Hua (2017) believes that the development of rural financial ecological environment is the main driving force for rural economic development. The paper puts forward that we should make rational use of national policies, purify rural financial credit environment, optimize agricultural input, speed up land reform, carry out inclusive financial policy, and promote long-term financial support for the development of agriculture, rural areas and farmers. [10]

3 The Development Status of Inclusive Finance in China

The development of inclusive finance emphasizes the inclusive nature of financial services, that is, all social strata can enjoy financial services at a reasonable cost. Inclusive finance emphasizes the universality of financial services, not only including people in developed areas and large and medium-sized enterprises, but more importantly serving farmers, urban low-income groups, small and micro enterprises and other groups that traditionally enjoy the least financial services. In the traditional sense of the financial development focuses on the overall development of the financial system and financial expansion of the total, including financial institutions and tools increasingly rich, the increase in the size of the market and the improvement of the financial function and so on, implementation of inclusive financial development designed to allow those excluded from the financial system of rural residents, low-income and small micro enterprise groups enjoy the financial services.

In 2015, the Chinese government proposed to vigorously develop inclusive finance. At present, inclusive finance in China has entered a period of rapid development. In the vast rural areas, the original concept, mode and means of financial development have encountered realistic challenges. In rural areas, population dispersion, aging age structure, small and micro enterprises and farmers generally lack collateral, backward means of payment, long information transmission cycle and low efficiency of information collection have brought high costs and serious constraints to the development of inclusive finance.

4 Problems Faced by China's Rural Financial Ecological Environment

4.1 The Rural Economic Environment Needs to be Improved

Rural economic development is greatly affected by the natural environment, and also affects the development of rural finance to a certain extent. Compared with China's urban economic development, the economic development of China's rural areas is relatively slow. China's agricultural management is still mainly self-employed, agricultural products structure is single, low level. Most rural areas have not yet formed an industrialized supply chain, scale effect is not obvious. Agricultural production technology is backward, agricultural infrastructure is aging, and the ability to resist natural disasters is insufficient. The smaller coverage of financial institutions has led to a greater number of informal financial institutions in rural areas, creating a growing problem of illicit financing. Most local government departments intervene in rural finance, which hinders the balanced development of rural financial ecological environment.

4.2 The Rural Financial Market Environment is not Perfect

The rural financial market has defects both in the service subject of financial institutions and in specific financial products and services. Rural areas receive relatively simple financial services. Compared with urban areas, rural financial outlets are still in a weak state. Not only are the numbers small, but the coverage is not high. The traditional commercial banks represented by agricultural Bank of China are stepping away from the rural financial market. The main institutions of rural financial market are rural cooperative banks and rural credit cooperatives. Due to the limited scale of rural cooperative banks and rural credit cooperatives and the shortage of financial professionals, the professional services they can provide are limited. Financial products are sparse and low-tech. Financial institutions such as securities, insurance, trust and leasing have not formed scale in rural areas. Although internet financial services are gradually distributed in rural industries, they are limited in scale and cannot meet the diverse needs of rural residents.

4.3 The Construction of Rural Financial Payment is Relatively Backward

The construction of financial payment directly affects the development of rural financial ecology. Currently, rural financial payment construction is relatively backward. There is a single financial payment channel. Farmers cannot choose the appropriate channel for financial payment according to their own needs. Financial payment lacks basic construction and does not provide a good financial payment environment for farmers. With the continuous progress of rural economy, the construction of rural financial payment has not been updated and adjusted in time, which has become one of the main problems facing the development of rural financial ecology.

4.4 The Rural Credit Investigation System is not Sound

The construction of credit system is an important link in the construction of financial ecological environment. The imperfection of rural credit investigation system is the key factor hindering the development of rural finance. The construction of rural credit investigation system is slow and affected by many restrictive factors. The education level of rural population is low and the credit level is not high. The internal financial system of many individual merchants is not sound, and even there is the undesirable phenomenon of false accounting. Because the rural credit system is not perfect, there is a lack of credit data to evaluate the credit rating of farmers. Therefore, it is impossible to carry out accurate credit rating assessment on farmers. Banks and other financial institutions also appear "reluctant to lend" because of asymmetric lending information. Due to the lack of professional credit data collection and management personnel, credit assessment in rural areas basically relies on rural cadres and rural credit cooperatives. The information collection personnel are not professional and the information collection speed is poor, which leads to the late update of credit information and the failure to timely reflect the credit status of farmers. Due to the imperfection of the credit system, the scale of the emerging Internet financial services cannot be expanded, and the frequent risk events caused by information asymmetry cannot truly benefit the public.

4.5 The Rural Financial Legal Environment is not Sound

The construction of legal environment directly affects the development of China's financial ecological environment. At present, China's rural financial market is developing gradually, and a sound legal environment is one of the indispensable conditions for the development of financial market. However, the legal environment in rural areas has just started, and many places are not perfect or even blank in law. The legal system of rural finance is backward and cannot give beneficial guidance to the development of rural finance. Many contents cannot match with the actual development of rural areas, affecting the effectiveness of rural financial development. Some township and county governments lack legal consciousness. In the process of law enforcement, they substitute power for law and interfere with law. The overall law enforcement efficiency is low. The low level of education of rural population, coupled with the lack of local knowledge of financial laws and regulations, leads to the lack of legal awareness of farmers. It is easy to cause illegal acts, and fail to use the law to protect their rights and interests.

5 Conclusions

After the reform and opening up, China's rural financial ecological environment has been significantly improved. However, in the new situation, the rural financial ecological environment is still facing many problems. Therefore, we should effectively improve the rural financial ecological environment from the following aspects.

- (1) We should build a diversified rural financial market environment. Comprehensive and multi-level financial market can meet the various needs of rural financial services. We should promote the diversification of financial institutions and non-financial institutions. In addition to agricultural banks, credit cooperatives and agricultural development banks, we should actively prepare and improve rural non-banking financial institutions. We should give appropriate preferential policies to Internet financial organizations. Governments at all levels should guide commercial banks and other financial institutions to enter the rural financial market through specific measures. The government should launch effective rural financial reform measures, support financial institutions and so on, so that more financial institutions enter the rural financial market. Financial institutions should actively innovate financial products, increase the variety of services, improve the level of financial services, etc., to speed up the transformation of rural finance in the Internet era.
- (2) We should promote the construction of a rural social credit system. In most rural areas of our country, honesty awareness and education are still relatively backward. Our government should establish and perfect the rural credit management system to restrict the rural financial behavior and perfect the credit system of the financial market. We should establish reasonable and effective reward and punishment system for dishonesty, and take corresponding sanctions to those who break the trust, so that a series of phenomena that disturb the order of rural financial market, such as default and default, can be effectively controlled. We must strengthen the publicity and education of honesty awareness and improve farmers' concept

of credit management. In addition, the government should strengthen the supervision of rural financial market, establish an effective credit management mechanism, punish those who break the trust, give appropriate rewards and encouragement to those who keep the trust, and farmers should actively keep their word.

- (3) We should improve rural financial laws and regulations. Perfecting the financial law in rural areas is an important condition to promote the development of rural financial ecology. China should speed up the legislation of rural financial laws and regulations. Relevant departments should study the applicability of current financial laws in rural areas. In addition, we should strengthen the popularization of relevant legal knowledge in rural areas. In this way, in the process of contacting financial services, farmers can not only effectively protect their own rights and interests, but also avoid unnecessary troubles caused by financial institutions due to ignorance of the law. We also need to increase the crackdown and punishment on financial institutions and farmers and other illegal acts to ensure the healthy development of rural financial ecological environment.

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