

Research on Financial Technology and Inclusive Finance Development

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Abstract: The report of the 19th National Congress of the Communist Party of China emphasized that the financial industry should better serve the real economy, and the development of inclusive finance is an important way to accomplish it. The development of financial technology and internet finance has ushered in a new opportunity for the development of inclusive finance and the promotion of financial poverty alleviation. Financial technology has become the key to promoting the development of inclusive finance with the concept innovation and technological innovation, operational efficiency and low cost, and the advantages of information acquisition and data analysis. Based on the introduction of the development status of financial technology and inclusive finance, this paper analyzes the role of financial technology in the development of inclusive finance and its existing problems, and proposes a series of countermeasures accordingly.

1. Introduction

In recent years, the concept of financial technology (Fintech) has risen rapidly around the world, which has aroused widespread concern in various countries and become a hot topic in the financial industry and the scientific and technological community. During the National "Two Sessions" in 2017, Governor Zhou Xiaochuan of the People's Bank of China pointed out that the central bank highly encourages the development of financial technology, especially new technologies such as network technology, digital currency, and blockchain, and supports science and technology enterprises to develop towards inclusive finance. The "Sixth China Financial Technology Summit" held in Beijing on September 21, 2017, with the theme of "Science and Technology Innovation Practicing Inclusive Finance", proposed to give full play to the value of financial technology, promote the development of digital inclusive finance and serve our country's real economy more effectively. The "2017 China Inclusive Finance International Forum" held in the same period clearly stated that the development of inclusive finance should be the long-term goal of the financial industry, and the development of financial technology is conducive to the realization of this goal.

2. China's financial technology discovery status

2.1 Definition of financial technology

Fintech (Finance+Technology's compound word), that is, financial technology, currently has no recognized standard at home and abroad. The Global Financial Stability Board defines it as "technology-driven financial innovation" and believes that the revolution and innovation of financial technology lies not only in the front-end products that interface with users, but also in the application technology behind the system. Han Mei (2016) believes that financial technology promotes financial innovation through technological means, and forms business models, technology applications, processes and products that have a major impact on financial markets, institutions and financial services, injecting new vitality into financial development and bringing new challenge. Although different scholars have different expressions on financial technology, their essence is: the integration of technology and finance, the use of emerging Internet information technology to transform and innovate financial products and business service models. It has the characteristics of

low profit margin, light assets, high innovation, fast growth, etc. It plays an innovative role in investment and financing, operation and risk management, payment and settlement, information security and user experience.

2.2. Content of financial technology

Fintech specifically includes the Internet, big data, cloud computing, blockchain and artificial intelligence. It is an innovation in financial services, innovation in market-based lending platforms, innovation in payments, intelligent trading and financial innovation, or it can be said to be a disruptive innovation. Through the use of financial technology, the financial industry can be more efficient in one or more aspects of operations, reducing costs and increasing efficiency and optimizing user experience.

2.3. Development of financial technology

In the development of financial technology, some scholars have focused on the strong vitality and bright future of financial technology, such as Shi Boyang, Li Guanglei, Han Mei, Yang Fei and so on. But a coin always has its two sides, and Fintech will inevitably bring a series of risks while exerting its functional advantages. Zhao Xuejun, Zhu Taihui and Shi Boyang and other scholars have suggested that the development of the Fintech industry also faces some huge challenges. For the development of China's financial technology industry, it can be counted from the financial IT stage. At this stage, the financial industry uses the Internet or mobile terminals to collect user information and realize interconnection and intercommunication in financial services. In essence, it is the transformation of traditional financial channels to realize information sharing and business integration. However, as a stage of transition to financial technology, Internet finance lacks sustainability. Therefore, compared with Internet finance, Fintech defines a broader and more development space. It is a more mature stage of Internet finance, and the technologies and solutions used are more advanced than Internet finance. At this stage, the financial industry has changed its traditional business model through new IT technologies such as big data, cloud computing, artificial intelligence, and blockchain, which can greatly improve financial efficiency.

3. China's inclusive financial discovery status

3.1 Inclusive financial concept

The concept of "financial inclusion" originated from microfinance. It was also translated as "inclusive finance" when it was first introduced to China. It was first proposed by Jiao Wei at the Asian Microfinance Forum held in Beijing in 2006. With the support of sound policies, laws and regulatory frameworks, every developing country should have such an inclusive financial system. Zhou Xiaochuan (2013) believes that inclusive finance emphasizes that financial services can be extended to less developed regions and low-income people at an affordable cost by improving financial infrastructure, providing them with reasonable and convenient financial services with an affordable price. The availability of financial services; inclusive finance should be characterized by reasonable costs, diverse services, regulatory prudence, sustainable development, and market competition. So far, China's "inclusive finance" concept has gradually matured.

3.2. Inclusive financial characteristics

Inclusive finance mainly has the following characteristics: a. The universality of the service object. Inclusive Finance provides effective financial services to all people, especially those who are excluded from the system by traditional finance; b. The comprehensiveness of the service content. Inclusive finance provides a wide range of financial services, including banks, securities companies, insurance companies, microfinance companies, etc., and the diversity of services provided; c. The innovation of inclusive finance. Inclusive finance is an innovative arrangement that not only innovates in the market, but also reflects innovations in systems, technologies, institutions, products and services, especially technological innovation; d. The fairness of inclusive finance. Inclusive Finance emphasizes that everyone should have fair and reasonable access to

financial services; e. The sustainability of development. Inclusive finance is not a simple poverty alleviation model. It serves not only the people in poor areas, but also some weak micro-enterprises. It emphasizes a long-term sustainable development.

3.3. Development status of inclusive finance

The coverage of financial services has expanded year by year. China's basic financial services have covered most of the rural areas, and the number of financial institutions has increased steadily. The number of outlets and employees of banking financial institutions in all regions of the country has increased rapidly, with bank outlets per 10,000 people. ATMs and POS machines have also increased beyond imagination, and the balance of RMB loans has also shown steady growth; further supporting industrial restructuring and transformation and upgrading has become a key task for comprehensive deepening reforms. At the same time, after more than 20 years of construction, China's credit information industry has also achieved certain development, and the social credit information system has gradually formed. The development of financial products and services, the quality of financial services has been significantly improved, and the use rate of digital financial products has improved significantly.

Although China's inclusive financial development has achieved certain achievements, there are still some shortcomings. In addition to the need to further reduce rates and increase satisfaction, the business model has become the biggest shortcoming in expanding the breadth and depth of inclusiveness. China, like other countries in the world, has not yet explored a micro-finance financing model that can reduce the degree of information asymmetry, significantly reduce retail costs, and effectively manage risks, as well as a business model that can be promoted and sustainably developed on a large scale.

4. The role of financial technology of inclusive finance and its problems

4.1 The role of financial technology in the development of inclusive finance

In the development of inclusive finance, financial technology plays an increasingly important role. Firstly, financial technology can expand the coverage of inclusive finance. Traditional financial services require people to communicate face to face, but China has a vast territory and scattered population. Yet, many people in remote areas cannot enjoy financial services. therefore, through technology means such as smart device mobile terminals, the reachability and coverage of services can be greatly improved. It is not difficult to find that the ubiquity of intelligent terminals provides a strong support for the development of financial technology to promote inclusive finance; Secondly, financial technology has improved the quality and efficiency of inclusive financial services. The traditional method can not make accurate credit evaluation and judgment for the applicant borrower, but through the means of financial technology and big data, the digital information of the customer can be obtained, and the comprehensive analysis can make the evaluation and judgment, which can make the inclusive financial service more efficient. Serving the quality and efficiency of the real economy is conducive to achieving the national strategy of optimizing the transformation of China's economic structure; Thirdly, financial technology contributes to expand the scope and extension of inclusive financial services. Financial technology can not only improve the availability of financial services for vulnerable groups by means of technology, but also use innovative technologies such as artificial intelligence, big data, and cloud computing to innovate financial service models, expand financial service channels, and realize smart investment, Internet banking, and sharing. Applications such as economy and O2O will expand financial services to areas such as public transportation, health care, cultural education, investment and wealth management, provide affordable and low-cost financial services to all social groups, and enhance urban service and management intelligence and information.

4.2 Financial Technology Helps Problems in Inclusive Finance

Financial technology has undoubtedly played an important role in the development of China's

inclusive finance. However, there are still many shortcomings and problems in this process.

4.2.1. User information security is threatened.

The financial services provided by Inclusive Finance are increasingly dependent on digital technology. In the era of Internet information, the confidentiality, reliability and security of digital technology directly affect the quality of financial services and the security of users. On the one hand, with the gradual expansion of the use of digital technology, a huge data transmission network generated by user transaction activities has been formed. On the other hand, due to the fact that there is no clear division between illegal fund-raising and private lending in China, there is a grey area, which has encouraged some network platforms to implement illegal fund-raising. The phenomenon of financial fraud and the phenomenon of “running the road” of online lending platforms are frequent. Even leaking customer information. This will not only cause irreparable damage to the user's information and property, but also impact the stability of the entire financial market.

4.2.2. Financial services objects lack knowledge.

Compared with urban populations, groups that are excluded by traditional finance generally have problems such as insufficient financial knowledge and poor cognitive ability, and their risk identification and prevention capabilities are weak. At the same time, the current development of financial technology is still in its infancy, the quality of financial services is uneven, and fraudulent e-mails are emerging one after another, which has intensified the resistance of such groups to this new form of financial services to some extent.

4.2.3. Financial supervision is not perfect.

The construction of financial science and technology supervision has not yet been established, and the systematic and substantive legal norms and systems are not perfect and lacking. The implementation of current regulatory measures and means remains to be seen. This makes it possible for financial technology to help in the development of inclusive finance. Problem;

4.2.4. Financial services personnel are of low quality.

The cultivation and education of talents to promote the development of inclusive finance is seriously inadequate, resulting in the inability to effectively develop a large amount of information resources. Due to the low overall quality of personnel in rural areas and the lack of sustained funding, talent and technology investment in financial education and credit system construction in rural areas, they understand and recognize financial services and Internet finance using modern information technology and means to engage in financial services. The lack of knowledge is generally inadequate, hindering the use of financial technology to promote the development and breadth of inclusive finance.

5. Countermeasures

5.1. Strengthening financial technology supervision and protection The inclusive financial application is safe and controllable.

The continuous integration of information technology and financial services not only brings innovation in financial services, but also makes cross-industry and cross-disciplinary financial risks and information technology operational risks more prominent, posing new challenges for financial security and stability. In the event of financial technology-related risks, it will be a devastating blow to these special groups, which will be contrary to the original intention and significance of inclusive financial development. Therefore, the regulatory authorities should focus on the financial technology industry that serves inclusive finance, and strengthen supervision to ensure that relevant enterprises can strictly implement the relevant standards and safety requirements of the national and financial industries, and ensure the standardization of product services, information systems, and business models. Safety, on the basis of realizing financial technology to improve financial services coverage, and effectively protect the financial assets of the people.

5.2. Strengthen the enlightenment education of financial technology and financial services in rural areas.

With financial technology as a means to effectively increase the supply of financial resources as the main line, to promote the development of inclusive finance, we will further promote innovation in financial organizations, innovation in mechanisms, innovation in products and services, strengthen the construction of financial service support systems, and promote financial resources. At the same time, local governments and regulatory authorities should formulate financial science and technology and internet finance knowledge publicity and education work plans, popularize financial knowledge through radio, television, and internet, publicize policies related to financial technology and internet finance, and summarize local financial technology and internet finance development. Create a benign policy environment for financial technology to promote the development of inclusive finance.

5.3. Improve the level of technology use of financial institutions and reduce the cost of financial services.

Local governments and regulatory authorities should encourage and supervise all types of financial institutions to regulate fees and reasonable pricing, improve the transparency of financial services charging information, give full play to the advantages and characteristics of financial technology and big data credit in the market-based pricing of interest rates, and strengthen financial institutions. The guidance of interest rates has curbed the unreasonable rise in financing costs. Standardize and guide financial institutions, use financial technology, rationally decentralize loan approval authority, improve loan approval efficiency, and reduce corporate financing costs.

5.4. Create a benign policy environment for financial technology to promote the development of inclusive finance.

As an emerging industry, financial technology has enormous potential and space for development. The regulatory authorities should fully realize the positive role played by financial technology in the promotion of inclusive finance, design appropriate, targeted and operational policies, and support financial technology to promote the development of inclusive finance. First, the regulatory authorities can learn from the international regulatory sandbox concept and improve the efficiency of financial technology inclusive products and services innovation under the premise of risk control. Second, for financial technology enterprises that are committed to expanding inclusive finance, appropriate tax incentives, financial subsidies, infrastructure transfer payments, professional policy advice and guidance, and other policy support measures should be given to actively guide more financial technology companies to innovate technology products or The service is applied to the promotion and use of inclusive finance to foster a sustainable and benign development policy environment.

5.5. Improve the financial technology supervision system.

In view of the key points and difficulties in the work of China's inclusive financial industry, at the central level, a more effective "one-three-party" joint meeting system will be established. If necessary, the public security, the Ministry of Industry and Information Technology and other units will be joined together to strengthen the financial technology. Orientation supervision provides organizational guarantee for comprehensive multi-dimensional supervision across products, markets and institutions. Local governments at all levels make full use of the technology and concepts of financial technology to deepen the reform of financial institutions. Local governments and financial regulatory authorities should gradually fade out of administrative management and strengthen service functions. At the same time, in view of the imperfect status of China's current financial science and technology laws, regulations and systems, local governments and financial management departments should formulate local financial technology management regulations according to local conditions to standardize and promote the development of financial science and technology, so that financial technology can better assist inclusiveness. The development of finance.

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