

# Research on the path of rural industry revitalization of inclusive financial services

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**Abstract:** Under the background of the new era, the development of rural industry has become an important way to implement the strategy of rural revitalization, and also a powerful means to promote the modernization of rural industry. In order to realize the sustainable development of rural industry, local governments need to fully realize the important role of inclusive finance. By guiding financial capital into the primary, secondary and tertiary industries in rural areas, integration and coordinated development between industries can be promoted to form a complete industrial chain. This can not only improve the added value and market competitiveness of agricultural products, but also drive economic development and employment growth in rural areas. This paper studies the path of rural industry revitalization of inclusive financial services and puts forward corresponding views on it.

**Key words:** Inclusive finance; Rural industry revitalization; Path exploration

## Introduction

Inclusive finance, as the name implies, is a kind of financial service that provides convenient, efficient and low-cost for the broad masses of the people. In rural areas, the development of inclusive finance can effectively solve the problems of difficult and expensive financing for farmers, and provide financial support for the development of rural industries. In addition, the development of inclusive finance can also help promote the integrated development of the primary, secondary and tertiary industries in rural areas.

## I. Analysis of the current situation of the rural industry revitalization of inclusive finance

According to the 2023 Financial Services Rural Revitalization Index report, the financial services rural revitalization index reached a record high of 143.13 points last year, an increase of 6.63% compared with the previous year, which fully indicates that the financial resources to support agriculture have increased significantly at this stage, and the overall level of financial services rural revitalization is also stable. In addition, relevant data also show that the product service sub-index of the core tools and means of financial services for rural revitalization is also relatively outstanding, and the score has reached a new high year after year, which is due to the continuous introduction and innovation of financial products and services in rural areas of Henan province at this stage, and the capital supply system is gradually improved and optimized; Many financial resources are flowing to the key areas of rural revitalization, which provides financial support for the implementation of the rural revitalization strategy and the realization of its diversified development. In addition, with the development of financial technology, the efficiency and precision of financial services for rural revitalization have also been significantly improved. Through technological means such as big data, cloud computing and artificial intelligence, financial institutions can more accurately assess the credit status of farmers and rural enterprises, so as to formulate financial products and service plans that better meet their needs, which not only helps reduce the risks of financial services, but also helps improve the quality and efficiency of financial services for rural revitalization.

Taking the revitalization of rural industry with financial empowerment in Henan Province as an example, the region actively plans the development path in full combination with the actual situation, focuses on coordinated and unified development, and uses powerful policy tools to ensure that the financial sector continues to increase the credit supply and service optimization in the field of rural revitalization. According to relevant data, by July 2023, the balance of the province's agriculture-related loans was 2.7 trillion yuan, an increase of 9.1%, and the growth rate was 3.9 percentage points higher than the same period last year; 174.03 billion yuan more than the beginning of the year, 75.08 billion yuan more than the same period last year. The key to achieve high-quality development is that the province continues to increase financial support based on intelligent agricultural production and stratified finance. For example, the agricultural and commercial bank of the province actively provides professional rural revitalization loans in agricultural development, and the annual loan balance is nearly 100 billion yuan, and it is rising year by year; The Agricultural and commercial Bank focuses on promoting smart agriculture, constantly building online shopping malls and O2O platforms, guiding agricultural owners through "gold e-purchase" and "gold E-home", improving the efficiency of financial services to agriculture and increasing the gross agricultural product.

In addition, financial institutions in Henan Province also provide different financial products and financial services according to the direction of agricultural production and business scope, and realize the hierarchical classification of financial services. For example, according to the local agricultural development of Lankao County, Henan Province, Agricultural Bank provides Huimin "animal husbandry loan" and characteristic "honeymelon loan"; Postal Savings Bank has optimized and updated the agricultural loan system, and carried out new agricultural operation loan projects and rural entrepreneurship guarantee loan projects.

## II. Existing problems in the development of inclusive finance in Henan Province

### 1. There is a contradiction between supply and demand in rural inclusive finance

First, the products produced by financial institutions are difficult to meet the actual needs of rural households. In order to ensure safety and profitability, many financial institutions will produce financial products with a long term and relatively large quota in the development

of loans, but the overall demand of residents in rural areas of Henan is small and the term is short, which is incompatible and mismatched. Second, the system of inclusive financial products and services in rural areas is imperfect. According to the actual analysis, the current development of rural inclusive financial products and services is poorly targeted, and it has not formed an inclusive financial product system that meets the needs of rural customers.

#### 2. Rural inclusive finance lacks an organizational system

Relatively speaking, the current rural financial organization system in Henan has gradually improved, but it still has unbalanced structure and unbalanced development, especially in poverty alleviation and the modernization of service rural industries. First of all, the system of rural ash financial institutions in some areas is not perfect, which is reflected in the fact that many joint-stock banks still place their business subjects in the city, and lack credit delivery indicators for rural areas. Secondly, the targeted financial services in rural areas are poor. For example, due to regional and external factors, it is difficult to fully implement financial services, which makes it difficult to meet the actual needs of rural residents. It does not design and innovate financial products in combination with the characteristics of rural industry and economic development, and its overall performance is that there are fewer business types and its overall service quality is not high.

#### 3. Lack of inclusive financial infrastructure in rural areas

First, the credit investigation foundation in rural areas is relatively weak, and the financial consciousness and credit consciousness of farmers and some agricultural business subjects are relatively weak, which brings great difficulty to the construction of rural credit projects. Second, the village-level payment service environment also needs to be further improved. Although Henan has basically achieved full coverage of inclusive financial services in administrative villages, the overall service level is not high, and e-financial service channels such as online banking, mobile banking and smart banking have not been widely popularized. This not only brings inconvenience to farmers, but also restricts the development of rural finance. Third, the risk compensation mechanism of rural finance has not yet been established, which is also an important factor restricting the development of rural finance. Due to the inherent high risk of agriculture, the development of rural inclusive finance is facing greater risks. At present, the development of policy-based guarantee companies and agricultural insurance in Henan Province is still in the early stage, and it is difficult to fundamentally solve the risk problem of rural financial services.

### III. The practice path of the revitalization of rural industry of inclusive financial services

#### 1. Optimizing the supply of inclusive financial services

First, we will develop innovative services and produce financial products adapted to the characteristics of agricultural production and operation. For financial institutions themselves, they need to consider the agricultural production and operation cycle based on the actual situation, develop and design credit products such as loan amount and repayment method corresponding to their needs based on the actual situation of rural residents, and actively build a comprehensive and comprehensive rural asset mortgage financing model. Second, focus on the key areas of rural revitalization and the links with development constraints, and actively innovate financial products and optimize service methods. Raise funds by issuing green financial bonds, and apply them to areas such as rural ecological protection and green product development; In view of the weak links of rural industries, it is necessary to produce a product system that solves practical problems. Third, build a rural inclusive financial service pattern with different characteristics in the new era. First, optimize the supply of inclusive financial products and services in rural areas. Financial institutions need to have a deep understanding of the characteristics and needs of rural economic development, and design financial products and services that better meet the actual needs for different levels of customer groups. Second, equalization of financial services in urban and rural areas should be promoted. Financial institutions need to pay attention to the financial service gap between urban and rural areas, and improve the coverage and service level of financial services in rural areas by strengthening the construction of financial service infrastructure in rural areas. Finally, risk management should be strengthened. By establishing a sound risk management system and internal control mechanism, we will improve our ability to identify, assess and respond to risks, and effectively prevent and defuse financial risks.

#### 2. Establishing an inclusive financial service system

First, build a multi-level and diversified system of inclusive financial institutions in rural areas from multiple perspectives to promote development.

In order to better meet the urgent demand for financial services in rural areas, a multi-level system of rural inclusive financial institutions needs to be established. The system should include policy-based financial institutions, large commercial banks, urban commercial banks, rural commercial banks, new rural financial institutions as well as Internet finance and other non-deposit-type lending organizations. In addition, policy-based financial institutions play an important guiding role in the system. They guide commercial bank credit funds and private capital to flow into rural production and operation activities by formulating preferential policies and providing low-interest loans. This can not only alleviate the problem of capital shortage in rural areas, but also promote agricultural development and increase farmers' income. Large commercial banks, on the other hand, mainly provide financial services to large rural businesses. These institutions have strong financial strength and rich business experience, and can provide rural enterprises with a full range of financial services such as loans, settlement, and wealth management. Through cooperation with large commercial banks, rural enterprises can get better financing support, thus expanding production scale and improving market competitiveness.

Second, for financial institutions, they need to build a relatively complete and targeted organizational system. In order to better promote the development of inclusive financial services in rural areas, it is crucial to establish a top-down management organization structure from the headquarters to the branches. As the specific implementer of the headquarters' strategic planning, the branches need to formulate specific

business plans and implementation plans based on the actual local conditions. At the same time, branches also need to actively communicate and cooperate with stakeholders such as local governments, financial institutions and farmers to jointly promote the development of inclusive financial services in rural areas. In order to better create the main position of rural inclusive financial services, branches also need to pay attention to the following aspects of work: 1. Improve service ability: branches need to strengthen staff training and talent introduction, and improve the professional quality and service ability of the service team. At the same time, branches also need to actively introduce advanced technical means and management experience, optimize service processes, and improve service efficiency and quality. 2. Expand the scope of services: Branches need to actively expand the scope of services according to market demand and local economic development, and provide diversified rural inclusive financial services. For example, provide small loans, agricultural insurance, agricultural futures, etc., to meet the diversified needs of farmers. 3. Strengthen risk management: Branches need to establish a sound risk management system and strengthen risk identification, assessment and control. At the same time, branches also need to strengthen credit assessment and risk monitoring of customers to ensure that business risks are controllable and affordable. 4. Optimize the service environment: Branches need to strengthen cooperation with stakeholders such as local governments and financial institutions to jointly optimize the external environment for inclusive financial services in rural areas.

### 3. Strengthen the construction of inclusive financial facilities

First of all, it is key to strengthen the construction of payment environment at the village level. This includes improving network coverage in rural areas, strengthening the construction of electronic payment infrastructure in rural areas, and promoting digital financial products such as mobile payments. Through these measures, we can provide rural residents with more convenient, efficient and secure financial services to meet their daily payment needs. In addition, improving the intelligent service level of financial services in rural areas is also a priority. This includes the use of big data, cloud computing, artificial intelligence and other technical means to improve the service efficiency and risk management level of rural financial institutions.

Second, fully implement the fund credit environment, focusing on the construction and improvement of credit investigation projects. On the one hand, gradually improve the credit files of farmers and small and medium-sized agricultural enterprises. With the help of this measure, the credit status of farmers and small and medium-sized agricultural enterprises can be comprehensively understood, and a more accurate basis for risk assessment can be provided for financial institutions. At the same time, it will also help improve the credit awareness and credit behavior of farmers and small and medium-sized agricultural enterprises, and promote the optimization of rural credit environment. On the other hand, the construction of rural credit information system should be accelerated. This system can integrate and share the credit information of farmers and small and medium-sized agricultural enterprises, and improve the transparency and availability of information. This will help reduce the risk of information asymmetry in financial institutions, reduce credit thresholds and costs, and provide more convenient financial services for farmers and small and medium-sized agricultural enterprises.

## Epilogue:

To sum up, this paper deeply analyzes the current situation and restrictive factors of rural industry development, and then puts forward corresponding solutions, which has certain reference value for how inclusive finance can better serve the revitalization of rural industry. Local governments and financial institutions need to make corresponding adjustments based on the actual situation, so as to promote the development of local rural industries.

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