

Talking about China's Financial Development and Financial Management under Economic Globalization

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Abstract: With the deepening of economic globalization, the development of China's financial industry has ushered in unprecedented opportunities and challenges. While participating in international competition, financial institutions are also facing more complex and severe risk management challenges. This paper discusses and analyzes the current situation of the financial industry from two aspects of financial development and financial management, hoping to provide some useful thoughts and suggestions for the sustainable development and sound management of China's financial industry.

Keywords: Economy Global; Financial Development; Financial Management; Risk Management; Sustainability; Sound Management

1. Introduction

With the accelerating process of globalization, China's financial industry has also undergone significant development and changes. The financial industry has become one of the important pillars of China's economic development, providing strong support and guarantee for economic construction and social development. However, the development and management of the financial industry also face more serious and complex challenges, which need to be comprehensively and thoroughly explored and studied to provide useful ideas and suggestions for achieving sustainable development and sound management of China's financial industry. Therefore, this paper will analyze and discuss the current situation of China's financial industry from two aspects: financial development and financial management [Toader Tudorel,2018].

2. What are the More Serious and Complex Challenges Facing the Development and Management of the Financial Industry as well

2.1 Challenges of Financial Risk Management

Systemic risk: The systemic risk faced by financial institutions is a major challenge for financial risk management. Due to the interconnectedness and interaction of the financial market, the risk of one financial institution may have a chain reaction and ripple effect on the entire financial system, thus triggering systemic risk. Market risk refers to the risk of loss due to market price fluctuations, exchange rate changes, interest rate changes and other factors. In an increasingly competitive market, financial institutions need to strengthen the management and control of market risk.

2.2 The Challenges of Financial Regulation

Financial regulation has also become increasingly complex on a global scale. Financial operations have become increasingly complex, and regulators need to evolve and innovate with them in order to ensure stability and fairness in financial markets. The regulatory span and complexity have increased, as the financial business has become increasingly complex and the number of financial institutions has increased. Regulators are required to strengthen the professional competence of supervisors and the application of regulatory technology so that they can better respond to the changes and challenges in the financial market [Marin, Giovanni,2017]. Regulatory system innovation and need to improve, with the rapid development of financial markets and continuous innovation of

financial products, the regulatory system also needs to be innovated and improved accordingly. Regulators need to continuously improve regulatory policies and regulations to enhance regulatory effectiveness and avoid regulatory loopholes and risks.

2.3 Challenges of FinTech

With the development of Internet technology and mobile communication technology, FinTech has become an important trend in the global financial industry. The development of FinTech has brought many challenges to the traditional financial business [Shen Yuchen,2023]. The development of FinTech has improved the operational efficiency and customer experience of financial institutions. Traditional financial institutions need to invest a lot of human and material resources to complete complex financial operations, while the emergence of FinTech can greatly improve the business efficiency and customer experience of financial institutions and reduce the operating costs of traditional financial institutions. The development of fintech has prompted traditional financial institutions to adopt new business models and technologies to cope with market competition [Udeagha Maxwell Chukwudi,2023]. Traditional financial institutions need to cooperate with fintech companies or develop their own fintech products to meet customer demand and market competition. The rapid development of FinTech has also increased financial risks. The risks of FinTech mainly include technology risk, security risk and privacy risk. Therefore, traditional financial institutions need to strengthen their regulation and risk control of FinTech to protect the interests of their customers and institutions. The development of FinTech has also accelerated the globalization and cross-border cooperation of the financial industry. Traditional financial institutions need to adapt to the trend of globalization and cross-border cooperation and strengthen international cooperation and competition in order to maintain their competitive advantages. The development of FinTech brings great challenges to traditional financial business, but also brings new opportunities. Traditional financial institutions need to adapt to the new market environment and customer needs, and strengthen technological innovation and management innovation to maintain their competitive advantage.

2.4 Challenges of Cross-border Financial Business

Differences in laws, regulations and regulatory regimes, which vary from country to country, may have an impact on the conduct and management of cross-border financial business. Financial institutions need to understand and comply with the laws, regulations and regulatory systems of different countries in order to avoid possible violations and fines. Cross-border financial business is exposed to relatively high risks, such as exchange rate risk, political risk and credit risk. Financial institutions need to take appropriate measures to manage these risks, such as adopting hedging strategies and diversifying investments. In cross-border financial business, financial institutions need to face different cultural backgrounds and language barriers. Financial institutions need to have the ability to communicate and manage across cultures to ensure the smooth running and management of their business. Data privacy and security, cross-border financial business requires handling a large amount of sensitive data and personal information. Financial institutions need to take appropriate measures to protect the privacy and security of data and avoid data leakage and cyber attacks. Management of cross-border partners: In cross-border financial business, financial institutions need to cooperate with cross-border partners. Financial institutions need to assess and manage the credit and risk of their cross-border partners to avoid potential risks and losses.

3. Useful Thoughts and Suggestions on Economic Globalization

3.1 Promote Trade Liberalization

Promoting trade liberalization is one of the important tools to promote economic globalization. Free trade zones, bilateral and multilateral trade agreements, and other means can promote trade liberalization among countries. In free trade zones, trade between participating countries can be zero or reduced tariffs, while non-tariff barriers are reduced. The establishment of a free trade area helps promote investment and trade by multinational corporations and stimulates economic growth and development among countries. In addition, bilateral and multilateral trade agreements can help countries remove trade barriers and restrictions, enhance economic cooperation and development, and improve the efficiency and competitiveness of the global economy. Through trade liberalization, countries can make full use of their respective advantages and achieve optimal allocation of resources. Trade liberalization can facilitate the exchange and transfer of technology and knowledge, promote technological progress and innovation, and improve the competitiveness of the global economy. In addition, trade liberalization can also promote the international division of labor and enable countries to develop their own competitive advantages in specific fields, thus promoting economic development. In order to promote

trade liberalization, countries need to promote the process of trade liberalization through bilateral and multilateral negotiations. At the same time, countries also need to strengthen regulation and coordination to ensure that the process of trade liberalization is fair, equitable and sustainable [Hsu ChingChi,2023].

3.2 Enhance International Financial Cooperation

Strengthening international financial cooperation can be achieved in various ways, such as strengthening financial regulatory cooperation, enhancing cooperation and coordination among international financial institutions, jointly conducting financial innovation and technology research, and formulating international financial rules.

First of all, it is very important to strengthen financial regulatory cooperation. Financial regulators in each country should strengthen cooperation to jointly address cross-border financial risks and avoid chain reactions and ripple effects on the entire financial system caused by the risks of a single financial institution. In addition, regulators should strengthen information sharing and communication to ensure consistency and effectiveness of regulatory policies. It is also important to strengthen cooperation and coordination among international financial institutions. International financial institutions can cooperate in a number of areas, such as in international payment and settlement, financial innovation and technology research, to jointly promote the development and innovation of the global financial industry. In addition, international financial institutions can also work together to address global financial issues, such as responding to the global economic recession and financial crisis. International financial cooperation should also focus on the development of international financial rules. In the context of globalization, there are great differences in financial systems and policies among countries, and these differences often have an impact on cross-border financial operations. Therefore, the formulation of international financial rules needs to be strengthened in order to promote cooperation and development of financial business among countries, reduce financial risks and protect the stability and health of global financial markets. Strengthening international financial cooperation is one of the important ways to meet the challenges brought by globalization and to promote economic globalization, and countries should work together to enhance cooperation and coordination to jointly maintain the stability and health of global financial markets [Udeagha Maxwell Chukwudi,2023].

3.3 Strengthen Financial Regulation

Strengthening financial regulation is the key to ensuring the stability and sustainable development of financial markets. Countries should develop a more stringent and effective financial regulatory system, strengthen the responsibilities and powers of regulators, and cooperate and coordinate with regulators in other countries to jointly address the challenges and risks in financial markets. Specifically, the following measures can be taken: establish a global financial regulatory body and coordination mechanism to ensure the unification and coordination of international financial regulation. Strengthen the risk management capacity of financial institutions, establish a sound risk management system, and it is necessary to strengthen the regulation and management of financial institutions that may trigger systemic risks. Strengthen the information disclosure and transparency of financial institutions, enhance the regulation and supervision of financial markets, and prevent irregularities and fraudulent behavior of financial institutions. Strengthen regulation of financial innovation and emerging businesses to ensure the legitimacy and sustainability of new businesses and to regulate their market conduct. Strengthen the regulation and management of cross-border financial businesses to prevent illegal acts such as cross-border capital flows and money laundering.

Conclusion

Economic globalization is an inevitable trend in today's world and has had a profound impact on the economies and financial operations of all countries. Although globalization has brought many opportunities and benefits, it has also brought many challenges and risks that need to be addressed by governments and financial institutions. In facing the challenges of globalization, countries should strengthen cooperation and coordination, promote trade liberalization, enhance international financial cooperation, improve science and technology, and strengthen financial supervision, so as to jointly address global financial risks and challenges and build a more stable, fair and prosperous global financial system.

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