

Research on Digital Inclusive Finance Enabling Mass Entrepreneurship

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Received: 27 August 2023; Accepted: 15 September 2023; Published: 12 October 2023

Abstract:

One of the key points of the central government to deepen the supply-side structural reform of finance is to solve the problem of “difficult and expensive financing” for micro, small and medium-sized enterprises, and to drive the high-quality supply of finance with digital technology. From the perspectives of time, space, service cost, financial risk, and information asymmetry. This paper will analyze the role of digital inclusive finance to enabling mass entrepreneurship from the perspectives of time, space, service cost, financial risk and information asymmetry, and points out the path of digital inclusive finance to enable mass entrepreneurship.

Keywords:

Digital Inclusive Finance, Mass Entrepreneurship, Financing

1. The Dilemma of Mass Entrepreneurship and Development

Premier 2021 “to speed up the development of digital, digital economy, collaborative digital industrialization and digital transformation, speed up the pace of digital society construction, improve the level of digital government construction, create a good digital ecological, digital China”, at the same time clearly put forward “large commercial Banks pratt & whitney small micro enterprise loan growth of more than 30%”. Digital finance helps mss entrepreneurship, which can truly promote the development of entrepreneurship, stimulate domestic demand through mass entrepreneurship, and promote the problem of difficult entrepreneurship and employment in different regions, especially in remote areas [1]. The development of the Internet and the universal role, make residents' life is more and more convenient, network shopping, network TV, network short video, live with goods, the product of the digital age, at the same time stimulate the rapid update of the network, according to the China Internet development status statistical report, residents with network environment overall promotion, network coverage specific conditions as shown in Table 1:

Table 1. Survey of resident network from 2017 to 2022.

Time	IPv6 Number of addresses	CN Total number of domain names	5GBase station number
2017	21283block /32	20.85 Million	——

2018	41079block /32	21.24 Million	38 thousand
2019	50286block /32	21.85 Million	130 Thousand
2020	57125block /32	32.5 Million	330 Thousand
2021	63052block /32	35.93 Million	1425 Thousand
2022	7369 block /32	34.4 million	2310 Thousand

It can be seen from the data that with the advent of the digital era and the rapid development and application of AI technology, the power of the network is becoming more and more powerful, and the network is becoming more and more rapid, with the coverage area and the number of base stations exploding. Under the trend of the development of The Times, and at the same time, under the strong support of the state, China has rapidly changed from inclusive finance to digital inclusive finance.

Once subject to the financial constraints of traditional financial markets, commercial banks tend to lend to large and medium-sized enterprises with low credit risk and sufficient credit under the case of limited loanable funds. For small, medium and micro enterprises, their enterprise size and deductible property are insufficient, there may be a high debt ratio characteristics [2]. Insufficient processing of big data information leads to banks 'inability to understand and accurately assess customers' solvency. At the same time, because the development of enterprises also involves the exclusivity of technological innovation, leading to narrow financing channels of small and micro enterprises, and limited their own development. Therefore, the development of enterprises is facing the strong pressure of capital turnover, and the enthusiasm for mass entrepreneurship is also greatly reduced. The audit process of bank loans is complicated, the manual audit is subjective, and the digital popularization is not enough, and the efficiency is not high, which has also become one of the obstacles to mass entrepreneurship. In the process of traditional financial service for mass entrepreneurship, the problem of information asymmetry is relatively common. There are two categories: One is that the cost of collecting information about small and micro business entrepreneurs is high before lending, because the information that helps banks to lend is both hidden and dispersed. If relying on the traditional financial analysis tools and means to collect, there will be a large resource investment, the effect is not ideal. Moreover, profitability is also one of the operating objectives of commercial banks. In view of the above situation, banks will adopt loan policies that confront the risks. In this process, there will be some projects with good prospects, and natural persons with good credit responsibilities will be excluded from the bank loan objects, so as not to fully serve the high-quality loan demanders. However, on the other hand, some borrowers may hide some information that is unfavorable to the loan repayment, showing the information that is conducive to the bank to lend to them, and instead become the service object of the bank. To sum up, there may be adverse selection before lending. Second, before the organic integration of modern digital technology and bank lending process, it is difficult to dynamically monitor the capital flow and application process of sme founders. Borrowers may not arrange the investment and operation of funds according to the loan commitment and use schedule at that time. For example, these entrepreneurs may invest funds into the entrepreneurial field with high risk, resulting in the withdrawal of funds to deviate from the trajectory of bank expectations. Finally, the moral hazard of finance enabling small, small and medium-sized enterprises emerges.

To sum up, there are four urgent problems to be solved in mass entrepreneurship: a. To solve the problem of expensive financial financing, entrepreneurs need sufficient financial support. b. How to break down the financing barriers and explore the multi-

channel financing path. c. How to increase the entrepreneurial enthusiasm, and how to popularize the entrepreneurial concept, increase the entrepreneurial identity. d. Accelerate the development of the digital currency business of banks, so that entrepreneurs can improve the efficiency of loans, on the network can complete the risk analysis, loan repayment amount and interest rate, can shorten the loan process.

2. The Power Role of Digital Inclusive Finance

Issued by the State Council of the promoting pratt & whitney financial development plan (2016-2020) file pointed out: “vigorously develop pratt & whitney financial, is the inevitable requirement of build a well-off society in an all-round way, to promote sustainable balanced development of financial industry, promote the public entrepreneurship, innovation, boost transformation and upgrading of economic development mode, enhance social fairness and social harmony.” Digital pratt & whitney financial according to the entrepreneurs business calculated the scale enterprise solvency, at the same time big data can improve the social credit system [2], by the entrepreneurs of consumption information analysis evaluation customer rating, fundamentally improve the availability of credit services, improve the understanding of micro, small and medium enterprises of financial products and the ability to participate in financial activities. Based on the data of China Statistical Yearbook, the national data on the development of residents’ entrepreneurship show as shown in Table 2, the level of entrepreneurship in China is increasing year by year.

Table 2. 2015-2019, entrepreneurship table of Chinese residents. (Unit: Ten thousand households).

Time	Individual household	Private enterprise	The average level of mass entrepreneurship
2015	5395.90	1905.90	5.37%
2016	5916.00	2269.50	5.91%
2017	6562.70	2721.80	6.63%
2018	7308.30	3137.90	7.37%
2019	8237.30	3509.90	8.19%

2.1. Break through the time and space restrictions

The traditional financial model can no longer meet the needs of personal loans. For the traditional financial lending business, the need to go to the bank for face-to-face financial services limits the working hours. At the same time, the data sorting and classification of the financing process affect the loan efficiency, and the lender may have unpleasant experiences such as not understanding the loan process and constantly going to the bank in the financing process. At present, digital inclusive finance can be improved to participate in financial business anytime and anywhere with the support of Internet +. For the consultation of lending problems, there are robot services to solve conventional problems, and manual services to provide online answers, and we can fully understand the policies and steps before handling business. At the same time, AI services such as ChatGPT can provide high-quality and timely services for financial services that want to start a business and want to understand it. The major Banks and private enterprises opened the electronic payment and loan business, class online in APP details of the loan, the lender is no longer limited by time, can choose you want financing form, but also need to pay attention to network risk, network security problems with the development of the digital network era is

becoming more and more important, recommended to state-owned bank APP lending, reduce financial risk.

2.2. Low service cost

Inclusive finance focuses on the establishment of a service platform. Through the vigorous promotion of the city, county and township, the general public can enjoy financial services conveniently. With the continuous expansion of the service scope, the capital and labor costs invested will also increase. However, digital inclusive finance is not limited by geographical restrictions, and it can adapt to and promote the development of the times. Residents' understanding of financial services is no longer limited to the fixed service areas, and financial services can be completed by digital platforms, which can be reflected by the third-party payment accounts and the relevant number of bank card accounts associated with it. Therefore, digital inclusive finance can provide more rapid and accurate financial information, which can be completed as long as the Internet, mobile phones, and computers, reducing the service cost of financial institutions. At present, the service chain of digital inclusive finance is becoming more and more efficient, and with the support of government policies, the system will be more perfect.

2.3. Solve credit problems and reduce risks

To solve the credit problem contains two meanings: the first is the bank's insufficient understanding of small and micro enterprises, the wrong analysis of their loan repayment ability, which leads to the difficulty of lending to small and micro enterprises; the second is the bank's misplaced evaluation of enterprise information, and loans to enterprises that do not have the ability to continuously repay debt. Digital pratt & whitney financial, on the one hand, can through the big data analysis of entrepreneurs, such as consumption information can analyze customer level, to users online and offline consumption, social media, Internet browsing behavior such as big data analysis, for a single loan amount is small but overall large enterprise through segment segments determine the user demand and rating, can be more widely understand customers and more accurate evaluation loan ability. Therefore, digital finance can provide loan business for micro, small and medium-sized enterprises with the ability and potential, and provide convenience for more customers who want to start their own businesses. Financial risk is an important factor for banks to be cautious in lending. Under the traditional model, banks can analyze the data model Around the limited, the labor workload is heavy. Digital finance can evaluate enterprises in more detail through big data. At the same time, the evaluation can match multiple models to find out the optimal results according to different characteristics, and carry out more complete and detailed risk management. Using pratt & whitney financial can lock the loan useful information from massive customer information, through big data more accurate positioning analysis, make bank perspective lower risk lending decision, reduce the bank's bad debt rate, when the loans increased, the bank assets also increased, through pratt & whitney financial lending, give full play to the Internet to customer credit, consumption support ability, and business credit data for quantitative analysis, ultimately improve the bank's net assets. It is conducive to banks to better and further serve the small, medium and micro enterprises and individual entrepreneurs with difficult loans in the industrial chain. In this way, it is a win-win situation for banks and digital inclusive finance,

which is conducive to expanding the scope of financial services and contributing to creating a better, more comprehensive and advanced financial service situation.

2.4. Optimize the allocation of financial resources and reduce information asymmetry

For entrepreneurs who have no capital problem, the fundamental reason is information asymmetry. If the implementation of inclusive finance without the blessing of digital technology, its role is very limited. The problem of information asymmetry includes the lack of detailed rating of customers and customers' lack of understanding of bank loan business.

If banks do not understand the problem, big data can calculate high-quality customers and predict the development of the project, which solves the problem of difficult loans for high-quality small and micro business customers who want to start businesses and have good projects. Digital inclusive finance can optimize the allocation of resources, and there is no longer a tilt of capital to the so-called big customers, but to truly achieve inclusive finance, encourage mass entrepreneurship, ensure market players, and promote domestic demand.

For customers do not understand the loan process and policy, digital pratt & whitney financial can well solve well, as long as the focus related WeChat public number or Internet search information can get more accurate answer, can also be policy, comparative analysis of different platforms, analysis of real-time policy or more change, compare whether interest rates are preferential, and so on.

3. The Path of Digital Inclusive Finance to Enable Mass Entrepreneurship

3.1. Give full play to the role of modern financial technology as a bridge between entrepreneurs and banks

First of all, banks should make full use of the precise, efficient and comprehensive advantages of "Internet + artificial intelligence" in the practice of financial enabling entrepreneurship. The specific measures are as follows: first, optimize the personnel structure of the financial team of banks. In the process of recruiting and cultivating personnel, the ratio of modern financial and technical personnel should be increased, so as to provide intellectual guarantee for banks to carry out digital inclusive finance. Second, give full play to the modern digital financial technology in high quality, venture capital demand customer lock, further play the advantages in the process of subsequent financial services, for the entrepreneurial growth ability, profitability, ability to repay loans and the ability to serve the society for comprehensive analysis of large data, in order to make financial funds flow to high quality, more valuable entrepreneurial projects. Of course, it is the entrepreneurial team that controls the project, especially the middle and senior members of the team. With the help of modern Internet information technology, banks can analyze the comprehensive ability of the entrepreneurial team to lend money, and select excellent entrepreneurial teams as the lending objects, which will not only help banks to serve the real economy, but also help banks to reduce the risk of recovering lending funds.

3.2. Build a risk guarantee system for digital inclusive finance enabling entrepreneurship

First of all, we should follow the relevant financial laws and regulations, earnestly implement the national policies on financial support for innovation and entrepreneurship, and establish a good data platform for financial service innovation and entrepreneurship. In the process of service, we should not only do our best, but also pay attention to prevent the relevant risks. Through the establishment of a data platform for digital inclusive finance enabling entrepreneurship, the use and logistics of entrepreneurs' funds can be collected, so that the process of financing projects can be timely grasped, and the financial support for projects that seriously deviate from the expected trajectory of the bank should be stopped in time. For projects with good operation, we should do a good job of continued tracking and service, so that the development of digital financial inclusion business of banks can synchronize with the growth of entrepreneurs, and finally build a financial risk prevention barrier for the enabling entrepreneurship of digital inclusive finance.

4. Conclusions

Digital pratt & whitney financial fu to public entrepreneurship has very important social and economic significance, this work requires long-term effective exploration, in the face of the public venture capital demand and supply gap larger this realistic problem, need to give full play to the advantages of digital pratt & whitney financial, to crack traditional financial services in the process of information asymmetry and resource mismatch, make financial radiation range more widely, gather more entrepreneurial subject for social economy, but also to build digital financial risk barrier, better play to digital financial technology before the bridge between entrepreneurs and service bank.

Conflicts of Interest

The author declare that there is no conflict of interest regarding the publication of this article.

Funding

This work was supported by School-level teaching reform project of Baise University (2022JG50).

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